Letter from Ron

Baron Funds®

September 30, 2024

Quarterly Report

"Two all-beef patties, special sauce, lettuce, cheese, pickles, onions, on a sesame seed bun…" McDonald's Big Mac jingle 1974 commercial.

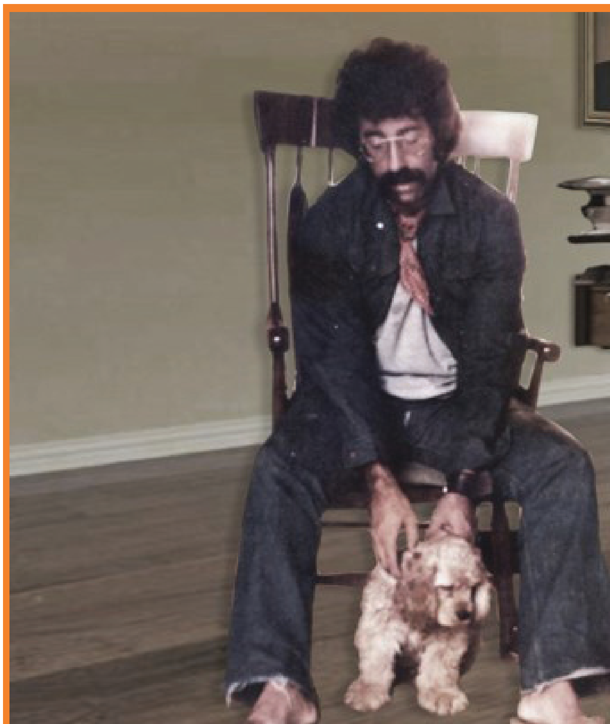
In 1968, McDonald's added the "upscale" Big Mac hamburger sandwich to its menu. The average selling price for a Big Mac was then 49 cents. I believed the value McDonald's provided to middle class Americans with 15 cent burgers…12 cent French fries…12 cent Cokes…and 15 cent apple pie desserts was exceptional. McDonald's was one of my two favorite "restaurants" in Washington, D.C. The other? Luigi's Pizza. Whenever I visited Washington in the early 1970s and exited Union Station, I never failed to stop for a Big Mac. *Big Mac's average price is now over $5.00!* This tenfold price increase represents 3 1/4 "doubles" over the past 56 years….a price increase of 4.25% per year!

…which obviously shows 4% to 5% annual inflation is not unusual in America. On average, the buying power of our currency falls in half about every 14 to 15 years… This is because our government spends more than it takes in, depreciating the value of the dollar 4% to 5% annually to pay for wars…to recover from pandemics…to pay for social services…and to manage our economy. **The United States' economic model works.** With just 4% of Planet Earth's population, the United States' share of our planet's GDP approximates 25%!

Persistent inflation has been present in America during my entire lifetime…not just since COVID-19… the following stories are also illustrative…

When I became an analyst in 1970, McDonald's was one of my most successful early investment recommendations. In large part because I thought McDonald's growth opportunity was enormous…its restaurant unit economics were unusually favorable…I really liked its franchise model, where lots of restaurants were built on land owned by the parent company…it had plenty of pricing opportunity…and Founder Ray Kroc was maniacal about keeping his bathrooms spotless! But, I'm getting ahead of my story…

In the summer of '69, on my 26th birthday, I had "aged out" of the Vietnam War draft. Two days later, I resigned from my draft exempt, "critical skills" position as a United States Patent Examiner. My "critical skill" was chemistry, my undergraduate major at Bucknell. The United States Patent Office ("USPO") believed my chemistry knowledge would translate into expert analysis of non-obvious, chemical coating "inventions." In an amazing coincidence, I studied and issued patents for coatings on rocket nose cones that would prevent them from burning up upon reentry. So, surprisingly, I began



When it was just me and Big Mac, my cocker spaniel–named after the only restaurant I could afford and one of my first successful investment recommendations! Not sure who was shaggier! Circa 1976.

studying SpaceX investment fundamentals more than 50 years ago! My starting examiner salary in 1966 was $7,729 per year. Four years later, it had increased to $12,000. ($120,000 in present day dollars). Examiners received annual raises whether or not they performed well.

I was not a great Patent Examiner. At my farewell luncheon, my supervisor, Morris Liebman, compared me to a famous Patent Examiner in Switzerland from 1902 to 1907. The young Swiss patent examiner all those years ago, Mr. Liebman told us, was "just like 'Rod.' He also didn't like being a Patent Examiner. That examiner developed the groundbreaking *special theory of relativity* in his spare time! 'Rod' was also not an awesome Patent Examiner…because he spent more time learning about investments than coatings…but we should expect to read a lot about him in coming years on Wall Street," Mr. Liebman continued. I was such a memorable examiner that after having worked in the USPO for almost four years, Mr. Liebman still thought my name was "Rod" not "Ron!" I stopped correcting him after about a year.

When I left the USPO that May, I also dropped out of George Washington University Law School. I had attended law school in the evenings on a partial scholarship for seven semesters….but since I no longer had my Patent Examiner salary and did not want to be a lawyer, I left Law School one semester short of graduation….$15,000 in debt (*$150,000 in **current day dollars)***…without a law degree. In a U-Haul truck with my motorcycle, shaggy hair, Fu Manchu mustache and all

TABLE OF CONTENTS

my worldly belongings, I headed to Wall Street and an analyst career.

For three months after I arrived in New York City, I was unemployed and lived in a high school friend's basement in Maplewood, New Jersey. I slept on a cot on a green shag rug next to a water heater...and ran errands for my friend's wife on weekends to "pay" for room and board. On weekdays I knocked on doors of Wall Street banks and headhunters seeking an analyst job. While I refused to give up, after three months it was obvious how hard it was going to be to convince anyone to take a chance on me. David Schneider, our senior trader who has worked with me since 1987, recently saw a picture of me in 1970. His comment? "How did you ever convince *anyone* to hire you?" But, *Anything Is Possible*. When Janney Montgomery Scott ("Janney") hired me as an analyst, I was ecstatic. My initial annual salary was $15,000 per year (*$150,000 in **present day dollars***) with a promised 20% raise after a year. I didn't receive that raise because I was fired in less than a year. That was because I recommended the sale of General Development Corporation ("GDC"), an Orlando-based retail land sales business. I believed GDC had insufficiently reserved to build contracted infrastructure. Inadequate reserves were the result of inflation due to the Vietnam War...and President Johnson's "Guns and Butter" fiscal policies. I was right. GDC shares began to fall after my report was published. Ultimately from $34 per share to zero. I was fired because Janney was a member of a syndicate raising money for GDC to fund infrastructure and had to leave the syndicate because of my report.

One more thing. I liked McDonald's so much that I named my Cocker Spaniel puppy Big Mac, or "Mackie" for short. When I moved to Manhattan in 1973, I lived in the same building as two young children, Dana and Wendy Telsey, who referred to me as the "Cocker Spaniel" man. The two young girls walked my dog with me nearly every morning before school for them and work for me. When Dana was a college sophomore, I met her and her mom on the street when I was starting Baron Capital. Since I believe "what goes around, comes around," when her mom asked me to consider Dana as my assistant, I hired her when she graduated. Dana...not her mom. Dana worked for me for eight years, organizing research projects and attending my management research meetings where she took copious notes. Her then boyfriend, Leigh, who is now her husband, reviewed her daily notes every night and asked Dana, "Why do you think Ron asked that question?" ...and "What do you think he was trying to learn?" In the late 1980s, it had become obvious to others how talented Dana was. She was then recruited away from me and offered opportunities at the time I couldn't afford to match. Dana, with her Telsey Advisory Group expertise in retail businesses, is one of two very successful individuals who have left Baron. Not many analysts have left, of course, but I congratulate her. She's still my friend and deserves great credit for her hard work, achievements, and learning what *"Question Everything,"* one of the pillars of Baron Capital Group, means.

"How do we know when irrational exuberance has unduly escalated asset values, which then become subject to unexpected and prolonged contractions?" Alan Greenspan. Chairman. Federal Reserve. Dow Jones Industrial Average. 6437. December 5, 1996.

Chairman Greenspan was criticized at the time for his "irrational exuberance" phraseology...but, he wasn't wrong. Over the long term, stock prices of publicly traded businesses we own are inextricably tethered to their fundamental prospects *and* to the growth of America's economy. However, while America's economy has consistently grown in the mid-single digits annually, markets and share prices often vacillate between extravagantly high valuations and more modest appraisals. These fluctuations occur despite common stocks and equity mutual funds providing the most attractive long-term returns for most of us. Elon Musk analogizes share price fluctuations to an individual standing on your front lawn and shouting out a new price for your home every fifteen minutes... when nothing to justify different valuations has taken place!

Baron Capital Co-Presidents David and Michael Baron with Rachel Stern, the Firm's recently appointed COO, share optimistic insights...and a few laughs... at October Firm wide town hall.

Chairman Greenspan's "irrational exuberance" remarks in 1996 were made after six years of remarkable annual returns in the mid-teens for U.S. stocks. Those exceptional returns diverged significantly from the steady mid-single-digit annual growth rate of America's GDP. Stock returns much higher than America's economic growth from 1990 through 1996 resulted from excitement over the latest, greatest technological innovation...the Internet.

The four years following Chairman Greenspan's comments experienced similar extraordinary mid-double-digit annual growth rates for stocks... and mid-single-digit annual growth rate for America's GDP. Strong stock market appreciation persisted until 2000, the year "the Internet bubble burst."

For the following 8 years through The Great Financial Crisis ("GFC") in 2008, stock prices *fell* on average 2.1% per year. Interestingly, although passive stock indexes fell during those years, America's economy continued to steadily expand...averaging nearly 5% per year from 2000-2008! Finally, during the 16 years from the GFC through 2024, stocks again significantly outperformed America's economy.

Table I.
U.S. GDP vs. S&P 500

	GDP	CAGR	Stocks	CAGR
1990-1996	35%	5.2%	74%	9.7%
1996-2000	29%	6.5%	148%	24.0%
2000-2008	47%	4.9%	(15.7%)	(2.1%)
2008-2024	97%	4.1%	324%	9.3%
1996-2024	273%	4.7%	836%	8.1%

Most importantly, if you had invested in December 2000 in a low cost, passive index fund <u>*before*</u> the Internet Bubble burst, **the worst possible timing in the past 24 years** to initiate such a strategy, your investment would now be worth about 4.7X your cost! Which clearly validates a "buy and hold" investment strategy...not one reliant upon tactical trading.

New York Jets' quarterback "Broadway Joe" Namath remarked in 1969, "If you've got it, flaunt it." So...while stock market indexes have outperformed both America's GDP growth and inflation, since their respective inceptions, 15 of 19 Baron mutual funds, representing 96.7% of Baron Funds' AUM, have done even better...and outperformed their primary benchmarks!

Thirteen Funds, representing 95.6% of Baron Funds' AUM, rank in the top 20% of their respective Morningstar categories. Eight Funds, representing 54.9% of Baron Funds' AUM, rank in the top 5% of their categories.

Baron Partners Fund is the number one performing U.S. equity fund (out of 2,030 share classes) since its conversion in 2003 from a partnership to a mutual fund.* $10,000 hypothetically invested in its passive benchmark index in 1992 when Baron Partners Fund began is now worth approximately $230,000. In contrast, $10,000 hypothetically invested in Baron Partners Fund in 1992 is now worth roughly $949,000. Bloomberg recently reported that Baron Partners Fund is the only U.S. mutual fund to outperform Invesco's QQQ index ETF.

If instead of investing in a passive index, you had hypothetically invested in small-cap growth Baron Growth Fund at its inception in 1994, your investment would have increased in value 35 times, compared with an increase of 9 times for a hypothetical investment in the Fund's primary benchmark…if in smid-cap Baron Focused Growth Fund, at its inception as a partnership in 1996, the increase would be almost 35 times vs. an increase of 9 times for that Fund's benchmark…and if in all-cap growth Baron Partners Fund, at its inception as a partnership in 1992, the increase would be 93 times vs. an increase of 22 times for that Fund's benchmark! The lesson? "Time…time…time is on my side…yes it is" is how Mick Jagger and The Rolling Stones phrased it in 1964. We agree.

Further, just like the Internet changed the calculus of growth investing over a quarter century ago….we think technology advances like digitization…cloud…mobility… electrification of transportation…autonomous driving…AI…satellite broadband…and robotics with impact that is not yet visible…will cause *the U.S. economy to soon expand more rapidly*. In addition, publicly owned businesses have become significantly more capital efficient which makes those businesses more valuable.

Baron Capital Group presently has more than $43 billion assets under management. We have earned more than $47 billion in realized and unrealized profits since 1992 when we managed $100 million! Regardless, for anyone not interested in investing like my family and me in Baron Funds, I recommend investments in passive index funds. That is since few "active investors" like us earn more than passive index returns. Baron mutual funds are some of the top performing mutual funds in the U.S., since their respective inceptions.

"Building Legacy" is the theme of the 31st Annual Baron Investment Conference. November 15, 2024. Metropolitan Opera House. Lincoln Center. New York City.

The "Building Legacy" theme of Baron's 31st Annual Conference is intended to describe foundational values of our Firm that have enabled us to achieve exceptional returns…for you… for ourselves… and for our families. Those are the "what we do?" …and…"how we do it?" segments of our program. Of course, leavened with humor.

We also intend to outline the Mission of our business…the "why" are we doing this? Included among the pillars of our Firm's investment process are elements we hope will give you confidence in how we conduct our family business…and that the extraordinary returns we have achieved…will likely continue as far as the eye can see… Although we can obviously not promise returns in the future will be as good or better than in the past…we can promise that we will try as hard as we can to make sure that is the case.

"We Invest in People" "Question Everything" "Exceptional Takes Time" "Anything is Possible" "OWN IT!" "Growth + Values" are the pillars of our business…and among my favorite themes of past Baron Annual Conferences. And now, "Building Legacy." All we have to do is continue to execute.

One of my favorite people likes to say it is irrational to "not sell" investments after making strong returns. It's especially hard to "not sell" when everyone is watching, but that's how we have earned the best returns.

According to studies by Fidelity and Charles Schwab, two outstanding investment firms I admire, "traders" who buy/sell the most have the worst results. According to Morninstar's John Rekenthaler, a study of a highly respected large investment firms' accounts found that those with the best returns were "either dead or inactive!" Not sure if this is a true or apocryphal story. But it sounds right. Another? "Women generally beat men." That is since women trade 45% less!

Wall Street has a legendary ability to develop products that generate activity and commissions. ETFs. Options. Swaps. Futures. Forwards. Single stock options. Daily single stock options! Risk parity. Derivative hedges. I used to always ask brokerage firms about how successful their customers were. I never got a good answer. The "house" always did great though.

Oh yeah. I'd be remiss if I didn't mention that in addition to our published program of CEOs/COOs of **Arch Capital Group Ltd.**, **MSCI Inc.**, **Red Rock Resorts, Inc.**, and **Space Exploration Technologies Corporation** ("SpaceX")…and amazing entertainment at lunch and end of day…and my speech that I try to make both fun and serious…and door prizes of three Teslas…and incredible Scream Ice Cream cones..and cool FIGS t-shirts..and tips about characteristics of successful businesses…like "adding pennies in value to products every year…not just trying to make products less expensive…" there's more. There's always more. This year, a live virtual visit by "Starman"…a man who lives in the future and knows who won all the elections for the next 500 hundred years but promises not to talk about them…and I will discuss "The Future" streamed on X.

Look forward to seeing you in New York on November 15. Going to be a great time. Thank you for joining us as investors in Baron Funds.

Respectfully,

Ronald Baron
CEO
October 7, 2024

P.S. Last year more than 5,100 investors attended our meeting. Please register early.

* This is a hypothetical ranking created by Baron Capital using Morningstar data and is as of 9/30/2024. There were 2,030 share classes in the nine Morningstar Categories mentioned below for the period from 4/30/2003 to 9/30/2024.

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.

As of 9/30/2024, Morningstar Large Growth Category consisted of 1,141, 1,005, and 788, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Partners Fund in the 100th, 1st, 1st, and 1st percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund converted into a mutual fund 4/30/2003, and the category consisted of 708 share classes.

Baron Funds (Institutional Shares) and Benchmark Performance 9/30/2024

		Average Annualized Returns %						
Fund/Benchmark	Inception Date	1 Year	3 Years	5 Years	10 Years	Since Inception	Annual Expense Ratio	Net Assets
Small Cap								
Baron Discovery Fund®†	9/30/2013	23.12%	(5.51)%	10.82%	12.00%	12.45%	1.06%[6]	$1.50 billion
Russell 2000 Growth Index		27.66%	(0.35)%	8.82%	8.95%	8.47%		
Baron Growth Fund®	12/31/1994	15.92%	0.77%	10.77%	11.33%	12.81%	1.05%[6]	$7.59 billion
Russell 2000 Growth Index		27.66%	(0.35)%	8.82%	8.95%	7.92%		
Baron Small Cap Fund®	9/30/1997	29.25%	1.75%	12.41%	11.16%	10.44%	1.05%[6]	$4.52 billion
Russell 2000 Growth Index		27.66%	(0.35)%	8.82%	8.95%	6.44%		
Small/Mid Cap								
Baron Focused Growth Fund®[1]	5/31/1996	24.46%	4.90%	26.13%	17.23%	13.48%	1.06%[8]	$1.65 billion
Russell 2500 Growth Index		25.20%	(0.75)%	9.75%	9.98%	8.22%		
Mid Cap								
Baron Asset Fund®†	6/12/1987	24.61%	0.41%	9.40%	11.31%	11.44%	1.05%[6]	$4.44 billion
Russell Midcap Growth Index[2]		29.33%	2.32%	11.48%	11.30%	10.34%		
Large Cap								
Baron Durable Advantage Fund®	12/29/2017	40.46%	14.42%	18.80%		16.52%	1.00%/0.70%[6][10]	$472.27 million
S&P 500 Index		36.35%	11.91%	15.98%		13.98%		
Baron Fifth Avenue Growth Fund®†	4/30/2004	45.01%	(1.05)%	11.65%	12.86%	9.96%	0.78%/0.76%[6][11]	$636.39 million
Russell 1000 Growth Index		42.19%	12.02%	19.74%	16.52%	12.27%		
All Cap								
Baron Opportunity Fund®†	2/29/2000	44.24%	3.49%	21.15%	17.27%	9.86%	1.06%[6]	$1.36 billion
Russell 3000 Growth Index		41.47%	11.31%	19.09%	16.04%	7.48%		
Baron Partners Fund®[3,4]	1/31/1992	13.53%	1.14%	27.31%	19.09%	14.96%	1.99%[8][9]	$6.48 billion
Russell Midcap Growth Index		29.33%	2.32%	11.48%	11.30%	10.08%		
Non-U.S./Global								
Baron Emerging Markets Fund®	12/31/2010	24.39%	(3.54)%	4.46%	3.70%	4.15%	1.11%[8]	$4.02 billion
MSCI Emerging Markets Index		26.05%	0.40%	5.75%	4.02%	2.62%		
MSCI Emerging Markets IMI Growth Index		26.55%	(1.62)%	6.23%	4.80%	3.44%		
Baron Global Advantage Fund®†	4/30/2012	29.75%	(12.77)%	6.91%	9.93%	10.97%	0.95%/0.91%[8][12]	$560.75 million
MSCI ACWI Index		31.76%	8.09%	12.19%	9.39%	10.04%		
MSCI ACWI Growth Index		36.45%	7.18%	14.70%	11.78%	11.87%		
Baron India Fund®	7/30/2021	32.88%	(1.71)%			(0.49)%	6.79%/1.20%[14][15]	$7.42 million
MSCI India Index		40.33%	11.64%			14.92%		
MSCI Emerging Markets Index		26.05%	0.40%			(0.08)%		
MSCI AC Asia ex Japan/India Linked Index		21.43%	(1.37)%			(1.92)%		
MSCI AC Asia ex Japan Index		28.95%	0.62%			(0.05)%		
Baron International Growth Fund®	12/31/2008	19.53%	(4.63)%	6.35%	6.45%	9.21%	0.98%/0.95%[8][13]	$346.42 million
MSCI ACWI ex USA Index		25.35%	4.14%	7.59%	5.22%	7.31%		
MSCI ACWI ex USA IMI Growth Index		26.16%	0.43%	7.15%	5.98%	7.99%		
Sector								
Baron FinTech Fund®†	12/31/2019	33.15%	(1.08)%			11.63%	1.21%/0.95%[8][16]	$66.46 million
FactSet Global FinTech Index		26.55%	(6.12)%			3.23%		
Baron Health Care Fund®	4/30/2018	20.94%	0.45%	14.91%		13.02%	0.88%/0.85%[8][17]	$238.25 million
Russell 3000 Health Care Index		22.63%	5.88%	12.49%		11.47%		
Baron Real Estate Fund®	12/31/2009	37.27%	4.11%	15.61%	10.96%	14.16%	1.06%[8]	$2.16 billion
MSCI USA IMI Extended Real Estate Index		38.24%	8.00%	10.18%	10.19%	11.74%		
Baron Real Estate Income Fund®	12/29/2017	32.69%	3.22%	10.41%		9.76%	0.96%/0.80%[8][18]	$176.62 million
MSCI US REIT Index		32.74%	3.73%	4.24%		5.74%		
Baron Technology Fund®	12/31/2021	51.76%				5.58%	5.04%/0.95%[8][19]	$40.88 million
MSCI ACWI Information Technology Index		48.35%				10.43%		
Equity Allocation								
Baron WealthBuilder Fund®	12/29/2017	25.36%	0.39%	14.97%		13.25%	1.22%/1.19%[8][20]	$550.72 million
S&P 500 Index		36.35%	11.91%	15.98%		13.98%		

Fund/Benchmark	Inception Date	Average Annualized Returns % 1 Year	3 Years	5 Years	10 Years	Since Inception	Annual Expense Ratio	Net Assets
Broad-Based Benchmarks[5]								
Russell 3000 Index		35.19%	10.29%	11.48%	12.83%			
S&P 500 Index		36.35%	11.91%	15.98%	13.38%			
MSCI ACWI Index		31.76%	8.09%	12.19%	9.39%			
MSCI ACWI ex USA Index		25.35%	4.14%	7.59%	5.22%			
MSCI Emerging Markets Index		26.05%	0.40%	5.75%	4.02%			

(1) Performance reflects the actual fees and expenses that were charged when the Fund was a partnership. The predecessor partnership charged a 15% performance fee through 2003 after reaching a certain performance benchmark. If the annual returns for the Fund did not reflect the performance fee for the years the predecessor partnership charged a performance fee, 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 June 30, 2008. 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 impacted its performance.

(2) The since inception date for Russell Midcap Growth Index is 6/30/1987.

(3) Performance reflects the actual fees and expenses that were charged when the Fund was a partnership. The predecessor partnership charged a 20% performance after reaching a certain performance benchmark. If the annual returns for the Fund did not reflect the performance fee for the years the predecessor partnership charged a performance fee, 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 impacted its performance.

(4) While the Fund may invest in securities of any market capitalization, 54.8% of the Fund's long holdings were invested in SMID, Mid and Mid/Large-Cap securities (as defined by Russell, Inc.) as of 9/30/2024 (SMID represents 16.3% of the portfolio and has market market capitalizations between $5.2 – $15.8 billion; Mid represents 33.5% and has market capitalizations between $15.8 – $51.5 billion; Mid /Large represents 4.9% and has market capitalizations between $51.5 – $183.7 billion).

(5) The Broad-Based Benchmark for Baron Discovery Fund, Baron Growth Fund, Baron Small Cap Fund, Baron Focused Growth Fund, Baron Asset Fund, Baron Partners Fund, and Baron Health Care Fund is Russell 3000 Index. The Broad-Based Benchmark for Baron Durable Advantage Fund, Baron Fifth Avenue Growth Fund, Baron Opportunity Fund, Baron FinTech Fund, Baron Real Estate Fund, Baron Real Estate Income Fund, Baron Technology Fund, and Baron WealthBuilder Fund is S&P 500 Index. The Broad-Based Benchmark for Baron Emerging Markets Fund is MSCI Emerging Markets Index. The Broad-Based Benchmark for Baron International Growth Fund is MSCI ACWI ex USA Index. The Broad-Based Benchmark for Baron Global Advantage Fund, Baron FinTech Fund, Baron Technology Fund, and Baron WealthBuilder Fund is MSCI ACWI Index.

(6) As of 9/30/2023.

(7) Comprised of operating expenses of 1.04% and interest expense of 0.01%.

(8) As of 12/31/2023.

(9) Comprised of operating expenses of 1.04% and interest expense of 0.95%.

(10) Gross annual expense ratio was 1.00%, but the net annual expense ratio was 0.70% (net of Adviser's fee waivers).

(11) Gross annual expense ratio was 0.78%, but the net annual expense ratio was 0.76% (net of Adviser's fee waivers, including interest expense of 0.01%).

(12) Gross annual expense ratio was 0.95%, but the net annual expense ratio was 0.91% (net of Adviser's fee waivers, including interest expense of 0.01%).

(13) Gross annual expense ratio was 0.98%, but the net annual expense ratio was 0.95% (net of Adviser's fee waivers).

(14) Based on estimated amounts for the current fiscal year.

(15) Gross annual expense ratio was 6.79%, but the net annual expense ratio was 1.20% (net of Adviser's fee waivers and expense reimbursements).

(16) Gross annual expense ratio was 1.21%, but the net annual expense ratio was 0.95% (net of Adviser's fee waivers).

(17) Gross annual expense ratio was 0.88%, but the net annual expense ratio was 0.85% (net of Adviser's fee waivers).

(18) Gross annual expense ratio was 0.96%, but the net annual expense ratio was 0.80% (net of Adviser's fee waivers).

(19) Gross annual expense ratio was 5.04%, but the net annual expense ratio was 0.95% (net of Adviser's fee waivers and expense reimbursements).

(20) Gross annual expense ratio was 1.22%, but the net annual expense ratio was 1.19% (includes acquired fund fees and expenses, net of the expense reimbursements).

† The Fund's historical performance was impacted by gains from IPOs. There is no guarantee that these results can be repeated or that the Fund's level of participation in IPOs will be the same in the future.

Investors should consider the investment objectives, risks, charges, and expenses of the Baron Funds carefully before investing. The prospectus and summary prospectus contain this and other information about Baron Funds. You may obtain them from its distributor, Baron Capital, Inc., by calling 1-800-99-BARON or visiting BaronCapitalGroup.com. Please read it carefully before investing.

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 may waive or reimburse certain Fund expenses pursuant to a contract expiring on August 29, 2035, 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 BaronCapitalGroup.com or call 1-800-99-BARON.

Performance for the Institutional Shares prior to 5/29/2009 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 5/29/2009 did not reflect this fee, the returns would be higher.

Risk: All investments are subject to risk and may lose value. † The Funds' historical performance was impacted by gains from IPOs. There is no guarantee that the results can be repeated or that the Fund's level of participation in IPOs will be the same in the future.

For information pertaining to competitor funds, please refer to that firm's website.

Ranking information provided is calculated for the **Institutional Share Class** and is as of **9/30/2024**. The number of share classes in each category may vary depending on the date that Baron downloaded information from Morningstar Direct. **Morningstar calculates its category average performance and rankings using its Fractional Weighting methodology. Morningstar rankings are based on total returns and do not include sales charges.** Total returns account for management, administrative, and 12b-1 fees and other costs automatically deducted from fund assets. The **Morningstar Large Growth Category** consisted of 1141, 1005, and 788, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Opportunity Fund in the 18th, 5th, 5th, and 3rd percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 2/29/2000, and the category consisted of 569 share classes. Morningstar ranked Baron Partners Fund in the 100th, 1st, 1st, and 1st percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund converted into a mutual fund 4/30/2003, and the category consisted of 708 share classes. The **Morningstar Mid Cap Growth Category** consisted of 531, 476, and 378, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Asset Fund in the 57th, 65th, 27th, and 12th percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 6/12/1987, and the category consisted of 60 share classes. Morningstar ranked Baron Growth Fund in the 93rd, 44th, 25th, and 2nd percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 12/31/1994, and the category consisted of 150 share classes. Morningstar ranked Baron Focused Growth Fund in the 59th, 1st, 1st, and 2nd percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund converted into a mutual fund 6/30/2008, and the category consisted of 410 share classes. The **Morningstar Small Cap Growth Category** consisted of 568, 517, and 398, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Small Cap Fund in the 26th, 20th, 21st, and 8th percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 9/30/1997, and the category consisted of 228 share classes. Morningstar ranked Baron Discovery Fund in the 66th, 35th, and 6th percentiles for the 1-, 5-, and since inception periods, respectively. The Fund launched 9/30/2013, and the category consisted of 501 share classes. The **Morningstar Real Estate Category** consisted of 238, 210, and 152, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Real Estate Fund in the 6th, 1st, 1st, and 1st percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 12/30/2009, and the category consisted of 169 share classes. Morningstar ranked Baron Real Estate Income Fund in the 55th, 2nd, and 2nd percentiles for the 1-, 5-, and since inception periods, respectively. The Fund launched 12/29/2017, and the category consisted of 211 share classes. The **Morningstar Foreign Large Growth Category** consisted of 402, 336, 224, and 239 share classes for the 1-, 5-,10-year, and since inception (12/31/2008) periods. Morningstar ranked Baron International Growth Fund in the 96th, 76th, 48th, and 21st, respectively. The **Morningstar Diversified Emerging Markets Category** consisted of 795, 639, 426, and 367 share classes for the 1-, 5-, 10-year, and since inception (12/31/2010) periods. Morningstar ranked Baron Emerging Markets Fund in the 40th, 73rd, 51st, and 10th, respectively. The **Morningstar Health Category** consisted of 174, 146, and 135 share classes for the 1-, 5-, and since inception (12/31/2018) periods. Morningstar ranked Baron Health Care Fund in the 58th, 3rd, and 1st, respectively. The **Morningstar Aggressive Allocation Category** consisted of 187, 171, and 178 share classes for the 1-, 5-, and since inception (12/29/2017) periods. Morningstar ranked Baron WealthBuilder Fund in the 81st, 1st, and 1st, respectively.

Portfolio holdings as a percentage of net assets as of September 30, 2024 for securities mentioned are as follows: Tesla, Inc. - Baron Fifth Avenue Growth Fund (3.3%), Baron Focused Growth Fund (9.8%), Baron Global Advantage Fund (1.0%), Baron Opportunity Fund (4.5%), Baron Partners Fund (33.4%*), Baron Technology Fund (3.3%); Arch Capital Group Ltd. - Baron Asset Fund (5.1%), Baron Durable Advantage Fund (2.1%), Baron FinTech Fund (3.1%), Baron Focused Growth Fund (6.1%), Baron Growth Fund (13.2%), Baron International Growth Fund (2.7%), Baron Partners Fund (9.6%*); MSCI Inc. - Baron Asset Fund (0.6%), Baron Durable Advantage Fund (2.2%), Baron FinTech Fund (2.8%), Baron Focused Growth Fund (3.2%), Baron Growth Fund (10.7%), Baron Partners Fund (2.0%*); Red Rock Resorts, Inc. - Baron Discovery Fund (1.4%), Baron Focused Growth Fund (3.6%), Baron Growth Fund (1.4%), Baron Partners Fund (1.4%*), Baron Real Estate Fund (1.5%), Baron Small Cap Fund (3.6%); Space Exploration Technologies Corporation - Baron Asset Fund (2.8%), Baron Fifth Avenue Growth Fund (1.0%), Baron Focused Growth Fund (8.9%), Baron Global Advantage Fund (6.5%), Baron Opportunity Fund (2.7%), Baron Partners Fund (11.1%*); FIGS, Inc. - Baron Focused Growth Fund (3.3%), Baron Growth Fund (1.1%).

*% of Long Positions

Top 10 Holdings

Baron Partners Fund 9/30/2024

Holding	% Holding
Tesla, Inc.	33.4
Space Exploration Technologies Corp.	11.1
Arch Capital Group Ltd.	9.6
CoStar Group, Inc.	7.3
Hyatt Hotels Corporation	6.8
Gartner, Inc.	4.6
IDEXX Laboratories, Inc.	4.5
FactSet Research Systems Inc.	4.2
The Charles Schwab Corporation	3.8
Vail Resorts, Inc.	3.4
Total	88.6
Long Equity Exposure	115.2
Cash & Equivalents	-15.2

Top 10 Holdings

Baron Focused Growth Fund 9/30/2024

Holding	% Holding
Tesla, Inc.	9.8
Space Exploration Technologies Corp.	8.8
Arch Capital Group Ltd.	6.1
Spotify Technology S.A.	5.9
Guidewire Software, Inc.	5.9
On Holding AG	4.7
Hyatt Hotels Corporation	4.6
Interactive Brokers Group, Inc.	4.6
Vail Resorts, Inc.	4.2
Red Rock Resorts, Inc.	3.6
Total	58.2

Portfolio holdings are subject to change. Current and future portfolio holdings are subject to risk.

The Russell 1000 ® Growth Index measures the performance of large-sized U.S. companies that are classified as growth. **The Russell 2000 ® Growth Index** measures the performance of small-sized U.S. companies that are classified as growth. **The Russell 2500 ™ Growth Index** measures the performance of small to medium- sized companies that are classified as growth. The **Russell 3000® Index** measures the performance of the largest 3,000 US companies representing approximately 98% of the investable US equity market, as of the most recent reconstitution. **The Russell 3000 ® Growth Index** measures the performance of the broad growth segment of the U.S. equity universe comprised of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market. **The Russell 3000 ® Health Care Index** is representative of companies involved in medical services or health care in the Russell 3000 Index, which is comprised of the 3,000 largest U.S. companies as determined by total market capitalization. **The Russell Midcap ® Growth Index** measures the performance of medium-sized U.S. companies that are classified as growth. 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 S&P 500 Index measures** the performance of 500 widely held large-cap U.S. companies. **The FactSet Global Fintech Index™** is an unmanaged and equal-weighted index that measures the equity market performance of companies engaged in Financial Technologies, primarily in the areas of software and consulting, data and analytics, digital payment processing, money transfer, and payment transaction-related hardware, across 30 developed and emerging markets. **The MSCI ACWI Index Net (USD)** is designed to measure the equity market performance of large and midcap securities across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. **The MSCI ACWI ex USA Index Net (USD)** is designed to measure the equity market performance of large and mid-cap securities across 22 of 23 Developed Markets (DM) countries (excluding the US) and 24 Emerging Markets (EM) countries. **The MSCI ACWI ex USA IMI Growth Index Net (USD)** is designed to measure the performance of large, mid and small cap growth securities exhibiting overall growth style characteristics across 22 of 23 Developed Markets (DM) countries (excluding the United States) and 24 Emerging Markets (EM) countries. **The MSCI ACWI Information Technology Index Net (USD)** is designed to measure large and mid-cap securities across 23 Developed Markets (DM) countries and 24 Emerging Markets (EM) countries. All securities in the index are classified in the Information Technology sector as per the Global Industry Classification Standard (GICS ®). **The MSCI AC Asia ex Japan/India Linked Index Net (USD)** was created by the Adviser and links the performance of the MSCI AC Asia ex Japan Index for all periods prior to September 1st, 2024 and the MSCI India Index for all periods thereafter. **The MSCI AC Asia ex Japan Index Net (USD)** measures the performance of large and mid cap equity securities across 2 of 3 Developed Markets countries (excluding Japan) and 8

Emerging Markets countries in Asia. **The MSCI India Index Net (USD)** is a broad-based securities index that is designed to measure the performance of the large and mid-cap segments of the Indian market. **The MSCI Emerging Markets Index Net (USD)** is designed to measure equity market performance of large and mid-cap securities across 24 Emerging Markets countries. MSCI is the source and owner of the trademarks, service marks and copyrights related to the MSCI Indexes. The indexes and the Fund include reinvestment of dividends, net of foreign withholding taxes, which positively impact the performance results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly in an index.

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)

BARON CAPITAL TOP 30 HOLDINGS
AS OF 9/30/2024

Rank	Ticker	Security Name	Year of First Purchase[1]	Market Value ($ Millions)	Percent of Total Assets (%)[2]	Total Realized and Unrealized Gains ($ Millions)	Cumulative Total Return[3] (%)	Total Return Multiple (X)	Annualized Total Return (%)
1	TSLA	*Tesla, Inc.*	2014	$3,906	8.6	$5,520	2,100.1	22.0	33.7
2	931JQH909	*Space Exploration Technologies Corp.*	2017	$2,584	5.7	$1,608	681.0	7.8	33.9
3	ACGL	*Arch Capital Group Ltd.*	2002	$2,319	5.1	$2,544	3,813.4	39.1	17.7
4	IT	*Gartner, Inc.*	2007	$2,038	4.5	$2,788	1,890.4	19.9	18.7
5	CSGP	*CoStar Group, Inc.*	2001	$1,417	3.1	$1,727	4,248.1	43.5	17.9
6	MSCI	*MSCI Inc.*	2007	$1,258	2.8	$1,406	2,505.8	26.1	21.3
7	FDS	*FactSet Research Systems Inc.*	2006	$1,140	2.5	$1,330	992.0	10.9	14.3
8	GWRE	*Guidewire Software, Inc.*	2012	$1,099	2.4	$865	690.6	7.9	18.2
9	IDXX	*IDEXX Laboratories, Inc.*	2005	$972	2.1	$2,197	3,410.3	35.1	19.9
10	MTN	*Vail Resorts, Inc.*	1997	$904	2.0	$984	932.4	10.3	8.8
11	H	*Hyatt Hotels Corporation*	2009	$835	1.8	$636	458.7	5.6	12.2
12	KNSL	*Kinsale Capital Group, Inc.*	2016	$813	1.8	$844	2,511.9	26.1	49.0
13	CHH	*Choice Hotels International, Inc.*	1996	$615	1.4	$812	3,620.0	37.2	13.8
14	RRR	*Red Rock Resorts, Inc.*	2016	$578	1.3	$324	266.3	3.7	16.7
15	TSM	*Taiwan Semiconductor Manufacturing Company Limited*	2013	$551	1.2	$492	1,149.5	12.5	25.1
16	ANSS	*ANSYS, Inc.*	2009	$514	1.1	$845	1,126.0	12.3	17.3
17	SCHW	*The Charles Schwab Corporation*	1992	$471	1.0	$1,442	10,348.4	104.5	15.7
18	PRI	*Primerica, Inc.*	2010	$454	1.0	$613	1,480.3	15.8	21.0
19	MTD	*Mettler-Toledo International Inc.*	2008	$433	1.0	$1,034	1,978.9	20.8	21.1
20	GLPI	*Gaming and Leisure Properties, Inc.*	2013	$417	0.9	$432	201.3	3.0	10.6
21	MORN	*Morningstar, Inc.*	2005	$417	0.9	$464	1,671.9	17.7	16.0
22	NVDA	*NVIDIA Corporation*	2018	$364	0.8	$527	1,736.4	18.4	62.3
23	TECH	*Bio-Techne Corporation*	2009	$355	0.8	$412	584.0	6.8	13.1
24	VRT	*Vertiv Holdings Co*	2019	$353	0.8	$581	804.0	9.0	58.1
25	VRSK	*Verisk Analytics, Inc.*	2009	$340	0.8	$493	921.8	10.2	16.8
26	IRDM	*Iridium Communications Inc.*	2014	$339	0.7	$296	331.4	4.3	15.1
27	SPOT	*Spotify Technology S.A.*	2020	$325	0.7	$33	203.5	3.0	28.0
28	ICLR	*ICON Plc*	2013	$274	0.6	$239	896.9	10.0	21.6
29	MSFT	*Microsoft Corporation*	2017	$248	0.5	$149	461.7	5.6	28.6
30	SITE	*SiteOne Landscape Supply, Inc.*	2016	$238	0.5	$228	465.8	5.7	23.0

*Baron Capital holdings include client managed and Firm accounts.

1 First purchase date is based on date first purchased in a mutual fund.
2 Ending weight is represented as a percentage of the Firm's long only holdings.
3 Reflects security performance from the date of Baron Capital's first purchase until 9/30/2024. Depending on Baron Capital's purchases and sales over the period, this performance may be lower or higher than the performance of the investment.
The performance data quoted represents past performance. Past performance is no guarantee of future results. Portfolio holdings are subject to change. Current and future portfolio holdings are subject to risk.

Investors should consider the investment objectives, risks, and charges and expenses of the investment carefully before investing. The prospectus and summary prospectuses 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.

The performance data quoted represents past performance. Past performance is no guarantee of future results. Current performance may be lower or higher than the performance data quoted.

Risks: All investments are subject to risk and may lose value.

Portfolio holdings as a percentage of net assets as of September 30, 2024 for securities mentioned are as follows: Tesla, Inc. – Baron Fifth Avenue Growth Fund (3.3%), Baron Focused Growth Fund (9.8%), Baron Global Advantage Fund (1.0%), Baron Opportunity Fund (4.5%), Baron Partners Fund (33.4%*), Baron Technology Fund (3.3%); **Space Exploration Technologies Corporation** – Baron Asset Fund (2.8%), Baron Fifth Avenue Growth Fund (1.0%), Baron Focused Growth Fund (8.9%), Baron Global Advantage Fund (6.5%), Baron Opportunity Fund (2.7%), Baron Partners Fund (11.1%*); **Arch Capital Group Ltd.** – Baron Asset Fund (5.1%), Baron Durable Advantage Fund (2.1%), Baron FinTech Fund (3.1%), Baron Focused Growth Fund (6.1%), Baron Growth Fund (13.2%), Baron International Growth Fund (2.7%), Baron Partners Fund (9.6%*); **Gartner, Inc.** – Baron Asset Fund (9.7%), Baron Growth Fund (9.5%), Baron Opportunity Fund (2.6%), Baron Partners Fund (4.6%*), Baron Small Cap Fund (5.6%), Baron Technology Fund (2.0%); **CoStar Group, Inc.** – Baron Asset Fund (3.7%), Baron Durable Advantage Fund (2.0%), Baron FinTech Fund (1.0%), Baron Focused Growth Fund (3.2%), Baron Growth Fund (5.0%), Baron Opportunity Fund (2.6%), Baron Partners Fund (7.3%*), Baron Real Estate Fund (2.1%), Baron Technology Fund (2.2%); **MSCI Inc.** – Baron Asset Fund (0.6%), Baron Durable Advantage Fund (2.2%), Baron FinTech Fund (2.8%), Baron Focused Growth Fund (3.2%), Baron Growth Fund (10.7%), Baron Partners Fund (2.0%*); **FactSet Research Systems Inc.** – Baron Asset Fund (2.5%), Baron FinTech Fund (2.1%), Baron Focused Growth Fund (3.5%), Baron Growth Fund (6.9%), Baron Partners Fund (4.2%*); **Guidewire Software, Inc.** – Baron Asset Fund (5.2%), Baron Discovery Fund (2.9%), Baron FinTech Fund (3.7%), Baron Focused Growth Fund (5.9%), Baron Growth Fund (2.1%), Baron Opportunity Fund (2.4%), Baron Partners Fund (2.2%*), Baron Small Cap Fund (4.8%), Baron Technology Fund (1.3%); **IDEXX Laboratories, Inc.** – Baron Asset Fund (5.9%), Baron Focused Growth Fund (1.0%), Baron Growth Fund (2.7%), Baron Health Care Fund (1.5%), Baron Partners Fund (4.5%*), Baron Small Cap Fund (0.3%); **Vail Resorts, Inc.** – Baron Asset Fund (2.1%), Baron Focused Growth Fund (4.2%), Baron Growth Fund (4.6%), Baron Partners Fund (3.4%*); **Hyatt Hotels Corporation** – Baron Asset Fund (1.7%), Baron Focused Growth Fund (4.6%), Baron Partners Fund (6.8%*), Baron Real Estate Fund (2.5%); **Kinsale Capital Group, Inc.** – Baron Discovery Fund (2.3%), Baron FinTech Fund (1.1%), Baron Growth Fund (5.7%), Baron Small Cap Fund (4.6%); **Choice Hotels International, Inc.** – Baron Asset Fund (1.5%), Baron Focused Growth Fund (3.2%), Baron Growth Fund (5.1%); **Red Rock Resorts, Inc.** – Baron Discovery Fund (1.4%), Baron Focused Growth Fund (3.6%), Baron Growth Fund (1.4%), Baron Partners Fund (1.4%*), Baron Real Estate Fund (1.5%), Baron Small Cap Fund (3.6%); **Taiwan Semiconductor Manufacturing Company Limited** – Baron Durable Advantage Fund (4.1%), Baron Emerging Markets Fund (9.0%), Baron Fifth Avenue Growth Fund (2.3%), Baron Global Advantage Fund (1.0%), Baron International Growth Fund (3.2%), Baron Opportunity Fund (1.6%), Baron Technology Fund (3.9%); **ANSYS, Inc.** – Baron Asset Fund (2.1%), Baron Focused Growth Fund (1.8%), Baron Growth Fund (3.7%); **The Charles Schwab Corporation** – Baron Asset Fund (2.2%), Baron FinTech Fund (1.2%), Baron Partners Fund (3.8%*); **Primerica, Inc.** – Baron FinTech Fund (0.8%), Baron Growth Fund (4.7%); **Mettler-Toledo International Inc.** – Baron Asset Fund (5.1%), Baron Durable Advantage Fund (1.6%), Baron Growth Fund (1.2%), Baron Health Care Fund (1.4%), Baron Small Cap Fund (1.0%); **Gaming and Leisure Properties, Inc.** – Baron Growth Fund (3.6%), Baron Partners Fund (1.2%*); **Morningstar, Inc.** – Baron Asset Fund (1.1%), Baron FinTech Fund (2.5%), Baron Growth Fund (3.9%); **NVIDIA Corporation** – Baron Durable Advantage Fund (4.7%), Baron Fifth Avenue Growth Fund (10.7%), Baron Global Advantage Fund (9.0%), Baron Opportunity Fund (11.5%), Baron Technology Fund (10.3%); **Bio-Techne Corporation** – Baron Asset Fund (2.3%), Baron Growth Fund (2.5%), Baron Health Care Fund (1.1%); **Vertiv Holdings Co** – Baron Small Cap Fund (6.3%); **Verisk Analytics, Inc.** – Baron Asset Fund (5.2%), Baron FinTech Fund (2.5%), Baron Focused Growth Fund (2.6%); **Iridium Communications Inc.** – Baron Focused Growth Fund (1.4%), Baron Growth Fund (2.8%), Baron Partners Fund (0.7%*); **Spotify Technology S.A.** – Baron Asset Fund (0.8%), Baron Focused Growth Fund (5.9%), Baron Opportunity Fund (2.6%), Baron Partners Fund (1.1%*), Baron Technology Fund (4.9%); **ICON Plc** – Baron Asset Fund (1.2%), Baron Health Care Fund (2.8%), Baron Small Cap Fund (4.4%); **Microsoft Corporation** – Baron Durable Advantage Fund (8.0%), Baron Fifth Avenue Growth Fund (4.6%), Baron Opportunity Fund (12.2%), Baron Technology Fund (7.9%); **SiteOne Landscape Supply, Inc.** – Baron Discovery Fund (2.5%), Baron Real Estate Fund (2.6%), Baron Small Cap Fund (2.9%).

*% of Long Positions

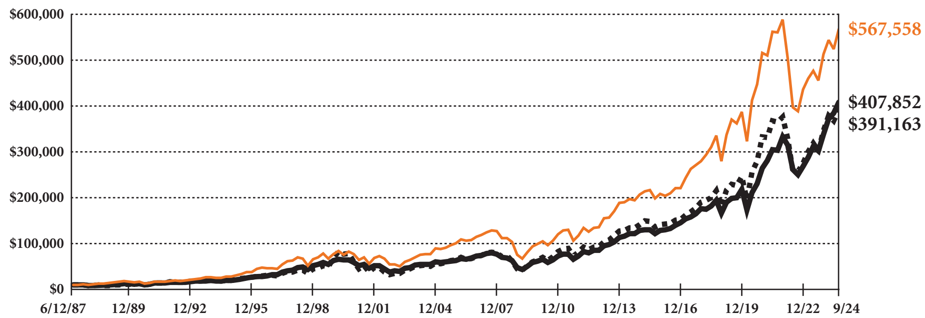
Portfolio holdings are subject to change. Current and future portfolio holdings are subject to risk.

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).

FOR FINANCIAL PROFESSIONAL USE ONLY. NOT FOR USE WITH THE PUBLIC.

Baron Asset Fund

Comparison of the change in value of $10,000 investment in Baron Asset Fund (Institutional Shares)^ in relation to the Russell Midcap Growth Index and the Russell 3000 Index

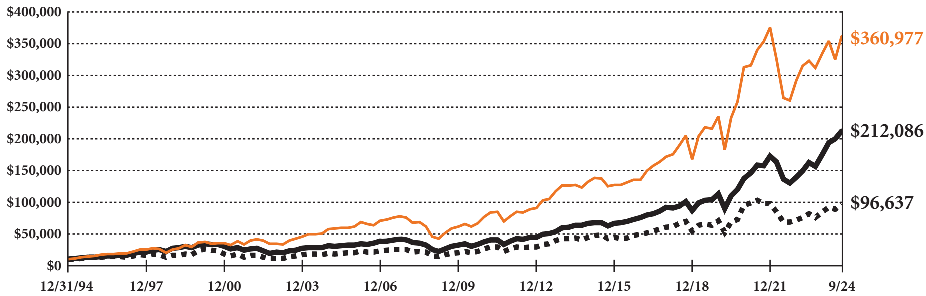


Returns

Not Annualized	Annualized				
3-Month	1-year	3-year	5-year	10-year	Since Inception
8.34%	24.61%	0.41%	9.40%	11.31%	11.44%

Baron Growth Fund

Comparison of the change in value of $10,000 investment in Baron Growth Fund (Institutional Shares)^ in relation to the Russell 2000 Growth Index and the Russell 3000 Index

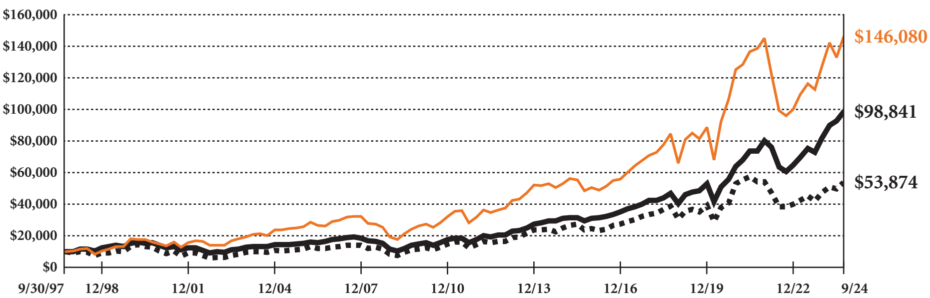


Returns

Not Annualized	Annualized				
3-Month	1-year	3-year	5-year	10-year	Since Inception
11.15%	15.92%	0.77%	10.77%	11.33%	12.81%

Baron Small Cap Fund

Comparison of the change in value of $10,000 investment in Baron Small Cap Fund (Institutional Shares)^ in relation to the Russell 2000 Growth Index and the Russell 3000 Index



Returns

Not Annualized	Annualized				
3-Month	1-year	3-year	5-year	10-year	Since Inception
9.68%	29.25%	1.75%	12.41%	11.16%	10.44%

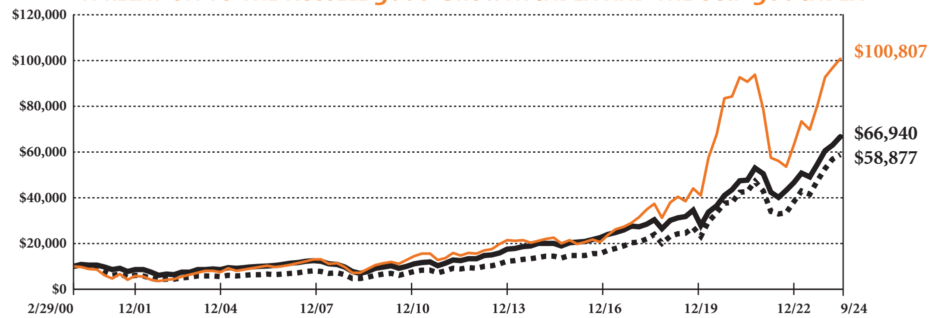
The Funds include reinvestment of dividends, net of foreign withholding taxes, while the Russell Midcap Growth Index, Russell 2000 Growth Index, and Russell 3000 Index include reinvestment of dividends before taxes. Reinvestment of dividends positively impacts performance results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly into an index.

^ 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.
See index footnotes on page 7.

Baron Funds Performance

Baron Opportunity Fund

Comparison of the change in value of $10,000 investment in Baron Opportunity Fund (Institutional Shares)^ in relation to the Russell 3000 Growth Index and the S&P 500 Index



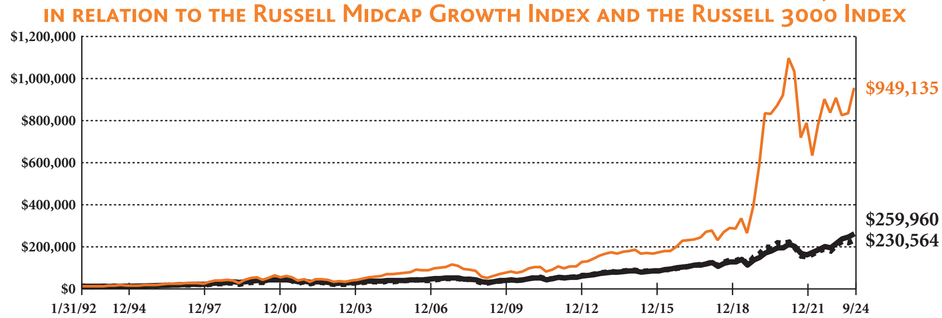
Returns

Not Annualized	Annualized				
3-Month	1-year	3-year	5-year	10-year	Since Inception
4.04%	44.24%	3.49%	21.15%	17.27%	9.86%

Baron Opportunity Fund
Russell 3000 Growth Index[4]
S&P 500 Index[5]

Baron Partners Fund

Comparison of the change in value of $10,000 investment in Baron Partners Fund (Institutional Shares)^ in relation to the Russell Midcap Growth Index and the Russell 3000 Index



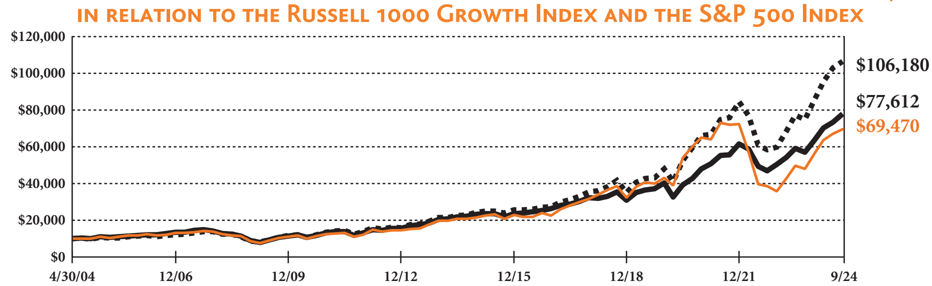
Returns

Not Annualized	Annualized				
3-Month	1-year	3-year	5-year	10-year	Since Inception
13.94%	13.53%	1.14%	27.31%	19.09%	14.96%

Baron Partners Fund*
Russell Midcap Growth Index[1]
Russell 3000 Index[2]

Baron Fifth Avenue Growth Fund

Comparison of the change in value of $10,000 investment in Baron Fifth Avenue Growth Fund (Institutional Shares)^ in relation to the Russell 1000 Growth Index and the S&P 500 Index



Returns

Not Annualized	Annualized				
3-Month	1-year	3-year	5-year	10-year	Since Inception
3.57%	45.01%	(1.05)%	11.65%	12.86%	9.96%

Baron Fifth Avenue Growth Fund
Russell 1000 Growth Index[6]
S&P 500 Index[5]

The Funds include reinvestment of dividends, net of foreign withholding taxes, while the Russell 3000 Growth Index, Russell Midcap Growth Index, Russell 1000 Growth Index, Russell 3000 Index, and S&P 500 Index include reinvestment of dividends before taxes. Reinvestment of dividends positively impacts performance results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly into an index.

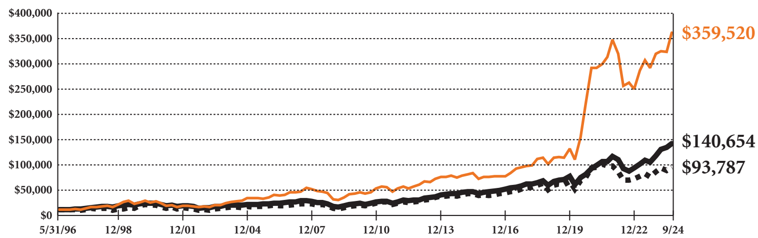
^ Performance for the Institutional Shares prior to May 29, 2009 is based on the performance of the Retail Shares, which have a distribution fee. The Institutional Shares do not have a distribution fee. If the annual returns for the Institutional Shares prior to May 29, 2009 did not reflect this fee, the returns would be higher.

* 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 for the years the predecessor partnership charged a performance fee, 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.

See index footnotes on page 7.

Baron Focused Growth Fund

Comparison of the change in value of $10,000 investment in Baron Focused Growth Fund (Institutional Shares)^ in relation to the Russell 2500 Growth Index and the Russell 3000 Index



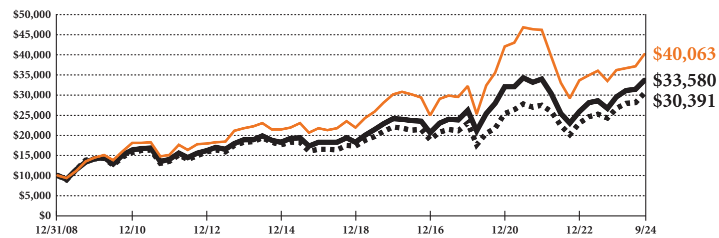
Returns

Not Annualized	Annualized				
3-Month	1-year	3-year	5-year	10-year	Since Inception
11.77%	24.46%	4.90%	26.13%	17.23%	13.48%

Baron Focused Growth Fund*
Russell 2500 Growth Index[7]
Russell 3000 Index[2]

Baron International Growth Fund

Comparison of the change in value of $10,000 investment in Baron International Growth Fund (Institutional Shares)^ in relation to the MSCI ACWI ex USA Index and the MSCI ACWI ex USA IMI Growth Index



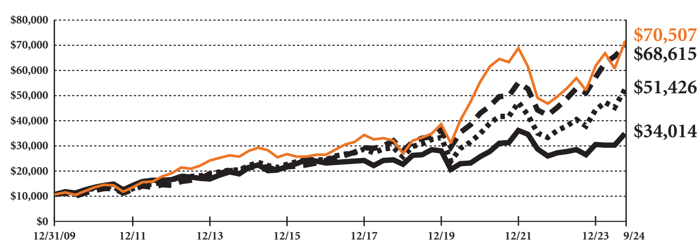
Returns

Not Annualized	Annualized				
3-Month	1-year	3-year	5-year	10-year	Since Inception
8.07%	19.53%	(4.63)%	6.35%	6.45%	9.21%

Baron International Growth Fund
MSCI ACWI ex USA Index[8]
MSCI ACWI ex USA IMI Growth Index[9]

Baron Real Estate Fund

Comparison of the change in value of $10,000 investment in Baron Real Estate Fund (Institutional Shares) in relation to the MSCI USA IMI Extended Real Estate Index, the MSCI US REIT Index and the S&P 500 Index



Returns

Not Annualized	Annualized				
3-Month	1-year	3-year	5-year	10-year	Since Inception
17.89%	37.27%	4.11%	15.61%	10.96%	14.16%

Baron Real Estate Fund
MSCI USA IMI Extended Real Estate Index[10]
MSCI US REIT Index[11]
S&P 500 Index[5]

The Funds, MSCI ACWI ex USA Index, MSCI ACWI ex USA IMI Growth Index, MSCI USA IMI Extended Real Estate Index, and MSCI US REIT Index include reinvestment of dividends, net of foreign withholding taxes, while the Russell 2500 Growth Index, Russell 3000, and S&P 500 Index include reinvestment of dividends before taxes. Reinvestment of dividends positively impacts performance results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly into an index.

^ 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.

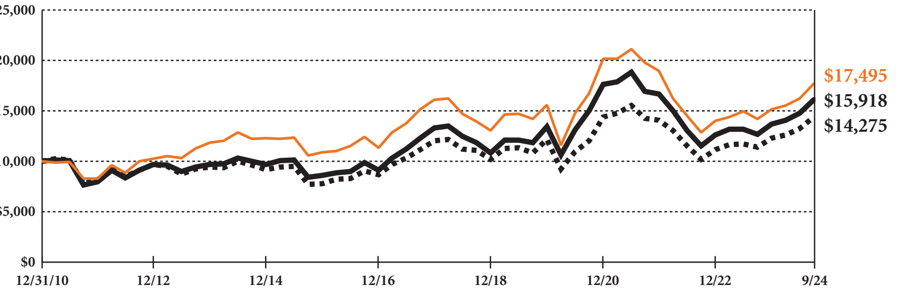
* Reflects the actual fees and expenses that were charged when the Fund was a partnership. The predecessor partnership charged a 15% performance fee through 2003 after reaching a certain performance benchmark. If the annual returns for the Fund did not reflect the performance fees for the years the predecessor partnership charged a performance fee, the returns would be higher. The Fund's shareholders will not be charged a performance fee. The predecessor partnership's performance is only for the periods before the Fund's registration statement was effective, which was June 30, 2008. 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.

See index footnotes on page 7.

Baron Funds Performance

Baron Emerging Markets Fund

Comparison of the change in value of $10,000 investment in Baron Emerging Markets Fund (Institutional Shares) in relation to the MSCI Emerging Markets Index and the MSCI Emerging Markets IMI Growth Index

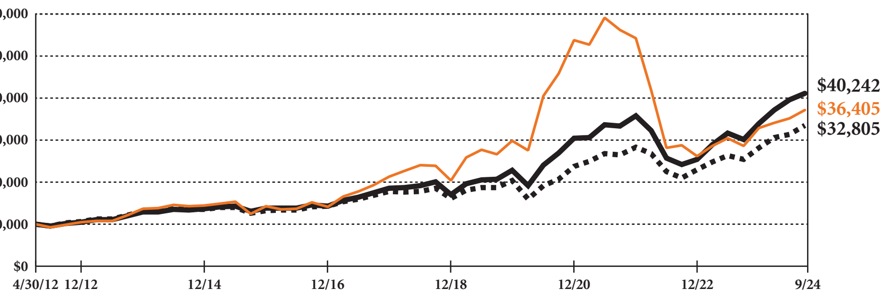


Returns

Not Annualized	Annualized				
3-Month	1-year	3-year	5-year	10-year	Since Inception
9.07%	24.39%	(3.54)%	4.46%	3.70%	4.15%

Baron Global Advantage Fund

Comparison of the change in value of $10,000 investment in Baron Global Advantage Fund (Institutional Shares) in relation to the MSCI ACWI Index and the MSCI ACWI Growth Index

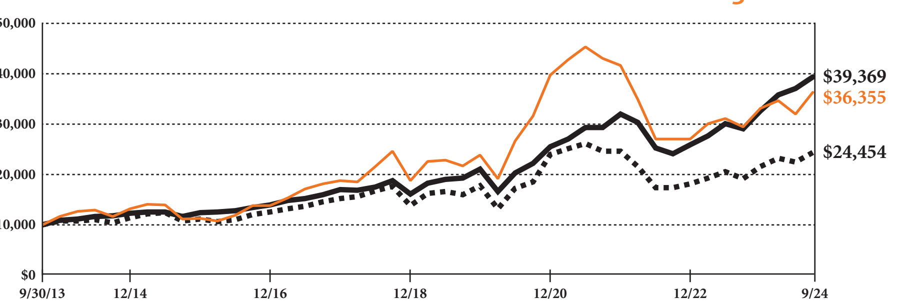


Returns

Not Annualized	Annualized				
3-Month	1-year	3-year	5-year	10-year	Since Inception
5.55%	29.75%	(12.77)%	6.91%	9.93%	10.97%

Baron Discovery Fund

Comparison of the change in value of $10,000 investment in Baron Discovery Fund (Institutional Shares) in relation to the Russell 2000 Growth Index and the Russell 3000 Index



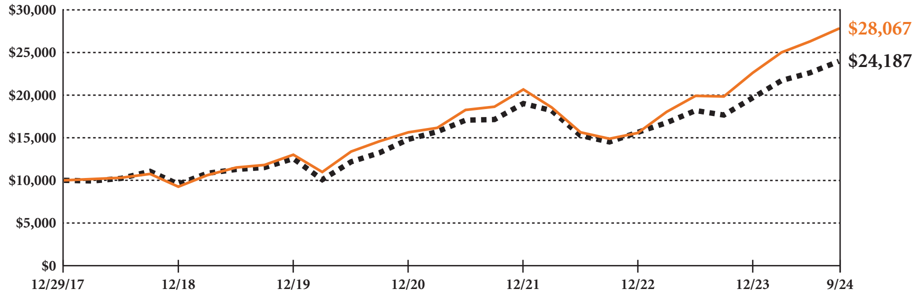
Returns

Not Annualized	Annualized				
3-Month	1-year	3-year	5-year	10 year	Since Inception
13.55%	23.12%	(5.51)%	10.82%	12.00%	12.45%

The Funds, MSCI Emerging Markets Index, MSCI Emerging Markets IMI Growth Index, MSCI ACWI Index, and MSCI ACWI Growth Index include reinvestment of dividends, net of foreign withholding taxes, while the Russell 2000 Growth Index, Russell 3000, and S&P 500 Index include reinvestment of dividends before taxes. Reinvestment of dividends positively impacts performance results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly into an index. See index footnotes on page 7.

Baron Durable Advantage Fund

Comparison of the change in value of $10,000 investment in Baron Durable Advantage Fund (Institutional Shares) in relation to the S&P 500 Index



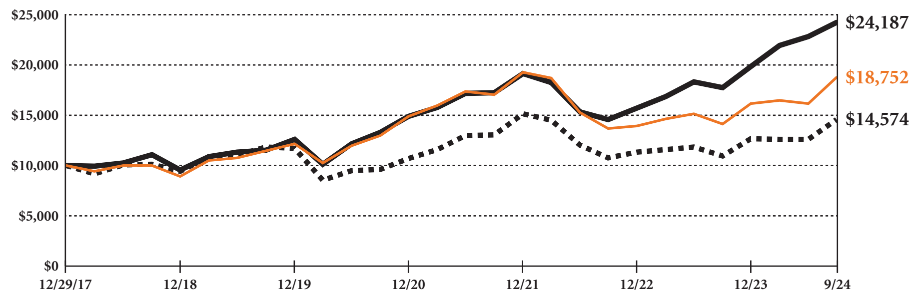
Returns

Not Annualized	Annualized			
3-Month	1-year	3-year	5-year	Since Inception
5.70%	40.46%	14.42%	18.80%	16.52%

Baron Durable Advantage Fund
S&P 500 Index[5]

Baron Real Estate Income Fund

Comparison of the change in value of $10,000 investment in Baron Real Estate Income Fund (Institutional Shares) in relation to the MSCI US REIT Index and the S&P 500 Index



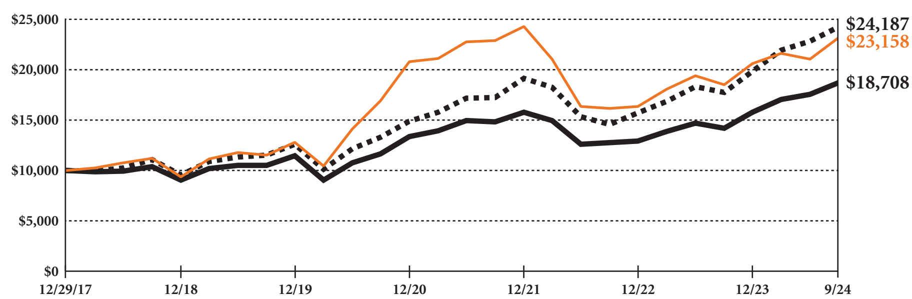
Returns

Not Annualized	Annualized			
3-Month	1-year	3-year	5-year	Since Inception
16.25%	32.69%	3.22%	10.41%	9.76%

Baron Real Estate Income Fund
MSCI US REIT Index[11]
S&P 500 Index[5]

Baron WealthBuilder Fund

Comparison of the change in value of $10,000 investment in Baron WealthBuilder Fund (Institutional Shares) in relation to the S&P 500 Index and the MSCI ACWI Index



Returns

Not Annualized	Annualized			
3-Month	1-year	3-year	5-year	Since Inception
10.17%	25.36%	0.39%	14.97%	13.25%

Baron WealthBuilder Fund
S&P 500 Index[5]
MSCI ACWI Index[14]

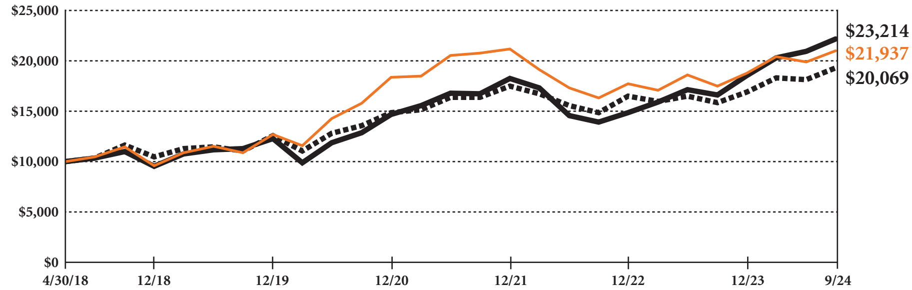
The Funds, MSCI US REIT Index, and MSCI ACWI Index include reinvestment of dividends, net of foreign withholding taxes, while the S&P 500 Index includes reinvestment of dividends before taxes. Reinvestment of dividends positively impacts performance results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly into an index.

See index footnotes on page 7.

Baron Funds Performance

Baron Health Care Fund

Comparison of the change in value of $10,000 investment in Baron Health Care Fund (Institutional Shares) in relation to the Russell 3000 Health Care Index and the Russell 3000 Index



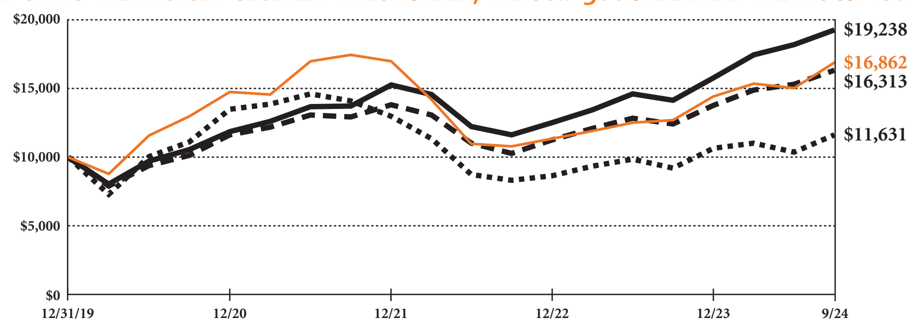
Returns

Not Annualized	Annualized			
3-Month	1-year	3-year	5-year	Since Inception
5.81%	20.94%	0.45%	14.91%	13.02%

Baron Health Care Fund
Russell 3000 Health Care Index[16]
Russell 3000 Index[2]

Baron FinTech Fund

Comparison of the change in value of $10,000 investment in Baron FinTech Fund (Institutional Shares) in relation to the FactSet Global FinTech Index, the S&P 500 Index and the MSCI ACWI Index



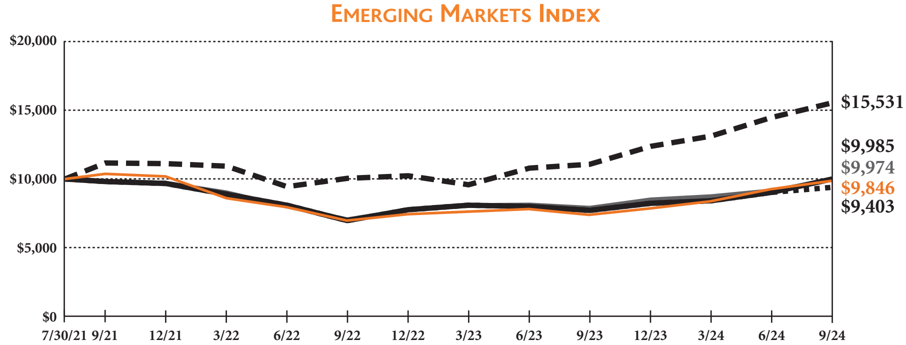
Returns

Not Annualized	Annualized		
3-Month	1-year	3-year	Since Inception
12.52%	33.15%	(1.08)%	11.63%

Baron FinTech Fund
FactSet Global FinTech Index[17]
S&P 500 Index[5]
MSCI ACWI Index[14]

Baron India Fund†

Comparison of the change in value of $10,000 investment in Baron India Fund (Institutional Shares) in relation to the MSCI AC Asia ex Japan/India Linked Index, the MSCI AC Asia ex Japan Index, the MSCI India Index and the MSCI Emerging Markets Index



Returns

Not Annualized	Annualized		
3-Month	1-year	3-year	Since Inception
6.33%	32.88%	(1.71)%	(0.49)%

Baron India Fund
MSCI AC Asia ex Japan/India Linked Index[18]
MSCI AC Asia ex Japan Index[19]
MSCI India Index[20]
MSCI Emerging Markets Index[12]

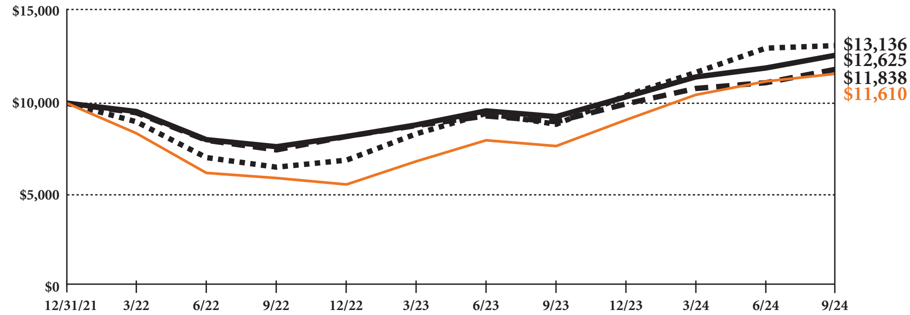
The Funds, MSCI India Index, MSCI Emerging Markets Index, MSCI AC Asia ex Japan/India Linked Index, MSCI AC Asia ex Japan Index include reinvestment of dividends, net of foreign withholding taxes, while the Russell 3000 Health Care Index, FactSet Global FinTech Index and S&P 500 Index include reinvestment of dividends before taxes. Reinvestment of dividends positively impacts performance results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly into an index.

† As stated within the Supplement to the Prospectus and Statement of Additional Information dated April 26, 2024, effective September 1, 2024, Baron New Asia Fund® has changed its name to Baron India Fund®. For additional information please refer to the Supplement.

See index footnotes on page 7.

Baron Technology Fund

Comparison of the change in value of $10,000 investment in Baron Technology Fund (Institutional Shares) in relation to the MSCI ACWI Information Technology Index, the S&P 500 Index and the MSCI ACWI Index



Returns

Not Annualized	Annualized	
3-Month	1-year	Since Inception
3.85%	51.76%	5.58%

The Fund, MSCI ACWI Information Technology Index, and MSCI ACWI Index include reinvestment of dividends, net of foreign withholding taxes, while the S&P 500 Index include reinvestment of dividends before taxes. Reinvestment of dividends positively impacts performance results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly into an index.

1 The **Russell Midcap® Growth Index** measures the performance of medium-sized U.S. companies that are classified as growth.
2 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.
3 The **Russell 2000® Growth Index** measures the performance of small-sized U.S. companies that are classified as growth.
4 The **Russell 3000® Growth Index** measures the performance of the broad growth segment of the U.S. equity universe.
5 The **S&P 500 Index** measures the performance of 500 widely held large-cap U.S. companies.
6 The **Russell 1000® Growth Index** measures the performance of large-sized U.S. companies that are classified as growth.
7 The **Russell 2500® Growth Index** measures the performance of small to medium-sized U.S. companies that are classified as growth.
8 The **MSCI ACWI ex USA Index Net (USD)** is designed to measure the equity market performance of large and mid-cap securities across 22 of 23 Developed Markets countries (excluding the U.S.) and 24 Emerging Markets countries.
9 The **MSCI ACWI ex USA IMI Growth Index Net (USD)** is designed to measure the performance of large, mid and small cap growth securities exhibiting overall growth style characteristics across 22 of 23 Developed Markets countries (excluding the US) and 24 Emerging Markets countries.
10 The **MSCI USA IMI Extended Real Estate Index Net (USD)** is a custom index calculated by MSCI for, and as requested by, BAMCO, Inc. The index includes real estate and real estate-related GICS classification securities. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed or produced by MSCI.
11 The **MSCI US REIT Index Net (USD)** is designed to measure the performance of all equity REITs in the US equity market, except for specialty equity REITs that do not generate a majority of their revenue and income from real estate rental and leasing operations.
12 The **MSCI Emerging Markets Index Net (USD)** is designed to measure equity market performance of large and mid-cap securities across 24 Emerging Markets countries.
13 The **MSCI Emerging Markets IMI Growth Index Net (USD)** is designed to measure equity market performance of large, mid and small-cap securities exhibiting overall growth characteristics across 24 Emerging Markets countries.
14 The **MSCI ACWI Index Net (USD)** is designed to measure the equity market performance of large and mid-cap securities across 23 Developed Markets and 24 Emerging Markets countries.
15 The **MSCI ACWI Growth Index Net (USD)** is designed to measure the equity market performance of large and mid-cap securities exhibiting overall growth style characteristics across 23 Developed Markets countries and 24 Emerging Markets countries.
16 The **Russell 3000® Health Care Index** is an unmanaged index representative of companies involved in medical services or health care in the Russell 3000 Index, which is comprised of the 3,000 largest U.S. companies as determined by total market capitalization.
17 The **FactSet Global Fintech Index™** is an unmanaged and equal-weighted index that measures the equity market performance of companies engaged in Financial Technologies, primarily in the areas of software and consulting, data and analytics, digital payment processing, money transfer, and payment transaction-related hardware, across 30 Developed and Emerging Markets.
18 The **MSCI AC Asia ex Japan/India Linked Index Net (USD)** was created by the Adviser and links the performance of the MSCI AC Asia ex Japan Index for all periods prior to September 1, 2024 and the MSCI India Index for all periods thereafter.
19 The **MSCI AC Asia ex Japan Index Net (USD)** measures the performance of large and mid-cap equity securities across 2 of 3 Developed Markets countries (excluding Japan) and 8 Emerging Markets countries in Asia.
20 The **MSCI India Index Net (USD)** is a broad based securities index that is designed to measure the performance of the large and mid-cap segments of the Indian market.
21 The **MSCI ACWI Information Technology Index Net (USD)** is designed to measure large and mid-cap securities across 23 Developed Markets countries and 24 Emerging Markets countries. All securities in the index are classified in the Information Technology sector as per the Global Industry Classification Standard (GICS®).

If a Fund's historical performance was impacted by gains from IPOs there is no guarantee that these results can be repeated or that the Funds' level of participation in IPOs will be the same in the future.

Investors should consider the investment objectives, risks, and charges and expenses of the investment carefully before investing. The prospectus and summary prospectuses 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.

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 or may reimburse certain Funds' expenses pursuant to a contract expiring on August 29, 2035, unless renewed for another 11-year term, and the Funds' 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.

Risks: The Funds invest primarily in equity securities, which are subject to price fluctuations in the stock market. Non-U.S. investments may involve additional risks to those inherent in U.S. investments, including exchange-rate fluctuations, political or economic instability, the imposition of exchange controls, expropriation, limited disclosure and illiquid markets. This may result in greater share price volatility. Investments in developing countries may have increased risks due to a greater possibility of: settlement delays; currency and capital controls; interest rate sensitivity; corruption and crime; exchange rate volatility; and inflation or deflation. Investments in health care companies are subject to a number of risks, including the adverse impact of legislative actions and government regulations. Securities issued by small and medium sized companies may be thinly traded and may be more difficult to sell during market downturns. Companies propelled by innovation, including technology advances and new business models, may present the risk of rapid change and product obsolescence, and their success may be difficult to predict for the long term. In addition to general market conditions, the value of the real estate and real estate related investments will be affected by the strength of the real estate markets as well as by interest rate fluctuations, credit risk, environmental issues and economic conditions. Even though the Funds are diversified, they may establish significant positions where the Adviser has the greatest conviction. This could increase volatility of the Funds' returns.

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).

Dear Baron Asset Fund Shareholder:

Performance

U.S. equities closed higher for the fourth consecutive quarter. Generally upbeat economic reports coupled with the Federal Reserve's (the Fed) long-awaited interest rate cuts spurred a meaningful rotation out of large-cap/*Magnificent Seven*/growth/momentum stocks and into value/cyclicals/small caps. Sectors that stand to benefit from lower interest rates did particularly well, notably Utilities, Real Estate (REITs), and Financials. Materials also outperformed thanks to rising prices for precious metals such as silver and gold. Energy was the only sector to decline in the period, falling alongside the price of oil. Information Technology (IT) and Communication Services also underperformed.

Baron Asset Fund® (the Fund) rose 8.34% (Institutional Shares) in the quarter, outperforming the Russell Midcap Growth Index by 180 basis points due to solid stock selection. It is noteworthy that the best-performing factor driving stock returns during the period was Earnings Quality, and, as we would have expected, this environment proved favorable for our investment style.

Stock selection in IT accounted for the bulk of the outperformance. Strength in the sector was driven by sharp gains from application software holdings **Guidewire Software, Inc.** and **Fair Isaac Corporation** (FICO). Shares of Guidewire, a property and casualty (P&C) insurance software vendor, advanced after its subscription gross margin improved by more than 1,000 basis points in its most recently reported quarter; data and analytics company FICO performed well after reporting solid fiscal third quarter earnings results and raised fiscal 2024 guidance. Another material contributor in IT was syndicated research provider **Gartner, Inc.**, whose shares appreciated double digits after the company's core subscription research businesses inflected higher in the second quarter.

Health Care was another standout sector thanks to strong performance from **The Cooper Companies, Inc.**, a medical device company with two business units: CooperVision, a leading manufacturer of soft contact lenses; and CooperSurgical, which targets women's health care and fertility. Cooper's stock increased after impressive second quarter results. We expect continued solid earnings growth in its core contact lens business, driven by price increases, additional manufacturing capacity coming online, continuing mix improvement, the likelihood of lower interest expense (both from debt repayment and lower rates) and the dissipation of FX headwinds. Besides

ANDREW PECK

PORTFOLIO MANAGER

Retail Shares: BARAX
Institutional Shares: BARIX
R6 Shares: BARUX

Table I.
Performance†
Annualized for periods ended September 30, 2024

	Baron Asset Fund Retail Shares[1,2]	Baron Asset Fund Institutional Shares[1,2,3]	Russell Midcap Growth Index[1]	Russell 3000 Index[1]
Three Months[5]	8.27%	8.34%	6.54%	6.23%
Nine Months[5]	10.60%	10.81%	12.91%	20.63%
One Year	24.29%	24.61%	29.33%	35.19%
Three Years	0.16%	0.41%	2.32%	10.29%
Five Years	9.12%	9.40%	11.48%	15.26%
Ten Years	11.02%	11.31%	11.30%	12.83%
Fifteen Years	12.48%	12.78%	13.21%	13.80%
Since Inception (June 12, 1987)	11.32%	11.44%	10.34%[4]	10.47%

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. 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.

† The Fund's historical performance was impacted by gains from IPOs and there is no guarantee that these results can be repeated or that the Fund's level of participation in IPOs will be the same in the future.

1 The **Russell Midcap® Growth Index** measures the performance of medium-sized U.S. companies that are classified as growth. The **Russell 3000® Index** measures the performance of the broad segment of the U.S. equity universe comprised of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market. 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 Midcap® 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 For the period December 31, 1987 to September 30, 2024.

5 Not annualized.

BARON FUNDS 1987

stock selection, the Fund benefited from its higher exposure to the Real Estate sector along with its lack of exposure to the lagging Consumer Staples and Energy sectors.

Somewhat offsetting the above was the disappointing performance of certain holdings in Industrials and Real Estate together with lack of exposure to the top performing Utilities sector. Weakness in Industrials was driven by the Fund's sizeable positions in data and analytics vendor and **Verisk Analytics, Inc.** and private rocket and spacecraft manufacturer **Space Exploration Technologies Corp.** (SpaceX). Despite reporting generally solid second quarter earnings, Verisk was a modest detractor, as its stock pulled back after its transactional revenue was modestly softer than expectations. SpaceX's primary focus is developing and launching advanced rockets, satellites, and spacecrafts, with the ambitious long-term goal of enabling human colonization of Mars. SpaceX is also generating significant value through the rapid expansion of its Starlink broadband service. Driven by its vast constellation of proprietary Starlink satellites, Starlink has seen substantial growth in its active user base. SpaceX is also making significant progress on its newest rocket, Starship, the largest, most powerful rocket ever flown. This next-generation vehicle represents a significant leap forward in reusability and space exploration capabilities. We value SpaceX using prices of recent financing transactions.

Real estate data and marketing platform **CoStar Group, Inc.** was negatively impacted by deceleration in net new sales of homes.com, its residential product offering. We remain encouraged by the website traffic growth and growing brand awareness for the platform, and we are optimistic that sales momentum will improve as the company builds out a dedicated residential sales force and enhances its customer targeting. We believe performance in CoStar's non-residential business remains strong, and we expect to see better organic growth as the commercial real estate market improves and salespeople return to focus exclusively on a single product.

Table II.
Top contributors to performance for the quarter ended September 30, 2024

	Year Acquired	Contribution to Return (%)
Guidewire Software, Inc.	2013	1.38
Gartner, Inc.	2007	1.25
Fair Isaac Corporation	2020	0.98
TransUnion	2017	0.63
Arch Capital Group Ltd.	2003	0.54

Shares of P&C insurance software vendor **Guidewire Software, Inc.** advanced after the company's subscription gross margins improved by more than 1,000 basis points in its most recently reported quarter. After a multi-year transition period, we believe the company has substantially completed its transition from an "on premise" to a "cloud-based" software provider. We believe cloud will be its sole path forward, with annual recurring revenue (ARR) benefiting from new customer wins and the migration of its existing customer base to InsuranceSuite Cloud. We also expect Guidewire to shift its R&D resources to product development from infrastructure investment, which should help drive cross-sales into its sticky installed base and potentially accelerate ARR over time. We believe Guidewire will become the most 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%.

Shares of **Gartner, Inc.**, a provider of syndicated research, contributed to performance in the quarter. Gartner's core subscription research businesses inflected higher in the second quarter, and we believe growth is poised to continue accelerating over the next several quarters. Longer term, we think Gartner will emerge as a key resource for companies evaluating the opportunities and risks of AI on their business, providing a tailwind to Gartner's volume growth and pricing realization over time. Sustained revenue growth coupled with Gartner's focus on cost control should drive ongoing margin expansion and enhanced free cash flow generation, in our view. The company's balance sheet remains in excellent shape and can support continued aggressive share repurchases and bolt-on acquisitions.

Shares of **Fair Isaac Corporation** (FICO), a data and analytics company focused on predicting consumer behavior, contributed to performance. The company reported solid fiscal third quarter earnings results and raised its fiscal 2024 guidance. Management recently spoke at several conferences and expressed optimism about the trends in its two key divisions—scores and software. In addition, recent interest rate cuts are expected to lead to more mortgage activity and the associated need by lenders for more FICO credit scores. While some near-term areas of uncertainty remain (most notably scores volumes based on the timing of changing macroeconomic conditions and a potential CFPB investigation into scores pricing), we believe FICO will be a steady earnings compounder, which should drive solid returns over a multi-year period.

Table III.
Top detractors from performance for the quarter ended September 30, 2024

	Year Acquired	Contribution to Return (%)
The Charles Schwab Corporation	1992	–0.33
DexCom, Inc.	2019	–0.33
West Pharmaceutical Services, Inc.	2014	–0.22
ICON Plc	2022	–0.11
LPL Financial Holdings Inc.	2022	–0.09

The Charles Schwab Corporation detracted from performance following a weak second quarter update. The broker-dealer generates significant earnings from net interest income on idle client cash. Clients have been moving cash into higher-yielding money market funds, forcing Schwab to utilize external sources of funding to support its balance sheet. This external funding is more costly than other liabilities on its balance sheet, and it is intended to be temporary. However, it has taken Schwab longer than expected to reduce its reliance on these funds, which disappointed the market. While the timing has been extended, we believe Schwab will eventually pay down these funds, leading to accelerated earnings growth.

DexCom, Inc. sells a continuous glucose monitoring device for patients with diabetes. Shares fell after DexCom reported lower-than-expected second quarter financial results and reduced its guidance for the year. Multiple issues surfaced during the earnings report. Management cited: 1) disruption from the expansion of its sales force; 2) channel dynamics including market share losses in the durable medical equipment channel and a revenue per user headwind from Medicare Advantage plans offering pharmacy access to its members; 3) a negative impact from faster-than-anticipated rebate eligibility; and 4) a shortfall in international sales. Some of these issues are temporary and potentially addressable. Others raise questions about DexCom's growth potential. As a result, we exited our investment.

West Pharmaceutical Services, Inc. manufactures components and systems for the packaging and delivery of injectable drugs. Shares fell on lower-than-expected financial results and reduced guidance for the year attributed to ongoing inventory destocking by its pharmaceutical customers.

Post-pandemic, customers continue to use the inventory stockpiled to meet elevated pandemic-era demand. West was also able to shorten the lead time needed to meet new demand, giving customers confidence to safely reduce their inventory levels. We believe the inventory-related issues are temporary, and West remains a dominant player with competitive advantages in the growing market for injectable drugs. Management has stated that end-patient demand is in line with its expectations, market share shift is not occurring, and its win rates on packaging for new molecules remains strong. They expressed confidence that West can return to the long-term financial construct of 7% to 9% revenue growth with 100 basis points of operating margin expansion annually.

Portfolio Structure

At September 30, 2024, Baron Asset Fund held 52 positions. The Fund's 10 largest holdings represented 49.2% of net assets, and the 20 largest represented 70.7% of net assets. The Fund's largest weighting was in the IT sector at 30.4% of net assets. This sector includes software companies, IT consulting firms, and electronic components companies. The Fund held 20.2% of its net assets in the Health Care sector, which includes investments in life sciences companies, and health care equipment, supplies, and technology companies. The Fund held 18.5% of its net assets in the Industrials sector, which includes investments in research and consulting companies, aerospace and defense firms, and human resources companies. The Fund also had significant weightings in Financials at 13.0% and Consumer Discretionary at 7.8%.

As the chart below shows, the Fund's largest investments all have been owned for significant periods – 7 of the 10 largest holdings have been owned for longer than a decade. This is consistent with our approach of investing for the long term in companies benefiting from secular growth trends with significant competitive advantages and best-in-class management teams.

Table IV.
Top 10 holdings as of September 30, 2024

	Year Acquired	Market Cap When Acquired ($ billions)	Quarter End Market Cap ($ billions)	Quarter End Investment Value ($ millions)	Percent of Net Assets (%)
Gartner, Inc.	2007	2.9	39.1	430.9	9.7
IDEXX Laboratories, Inc.	2006	2.5	41.6	261.5	5.9
Guidewire Software, Inc.	2013	2.8	15.2	231.6	5.2
Verisk Analytics, Inc.	2009	4.0	38.2	228.9	5.2
Arch Capital Group Ltd.	2003	0.9	42.1	227.3	5.1
Mettler-Toledo International Inc.	2008	2.4	32.0	225.1	5.1
CoStar Group, Inc.	2016	5.0	30.9	164.6	3.7
Fair Isaac Corporation	2020	12.1	47.7	161.3	3.6
Roper Technologies, Inc.	2011	7.4	59.6	129.8	2.9
Space Exploration Technologies Corp.	2020	47.0	210.2	126.0	2.8

Recent Activity

Table V.
Top net purchases for the quarter ended September 30, 2024

	Quarter End Market Cap ($ billions)	Net Amount Purchased ($ millions)
Welltower Inc.	78.0	18.0
Duolingo, Inc.	12.3	6.0
Vulcan Materials Company	33.1	1.3

We initiated a new position in **Welltower Inc.**, which owns and operates senior housing and medical office buildings in the U.S. and internationally. We believe that operating fundamentals in the senior housing industry will continue to be robust, and Welltower is well positioned to capture both a cyclical and secular inflection in growth during the coming years. If occupancy of the company's units were to return to levels achieved before the pandemic, we believe that senior housing cash flow would grow by more than 50%. In addition, we believe that there is further structural upside opportunity to both occupancy and operating margins by enhancing asset management, employing proprietary data analytics, and introducing initiatives such as amenity-based pricing. We recently met with the entire Welltower executive team in our offices and came away encouraged by the multi-dimensional growth opportunities ahead. Welltower has recruited top senior executives from the multi-family housing market to execute and deploy various initiatives that they believe can drive profitability beyond what other industry participants have achieved.

In addition, the broader industry backdrop hasn't been this favorable in many years. Underlying demand is supported by a demographics boom with the over 80 population projected to grow at a 4% to 5% CAGR over the next five years versus annual growth below 2% coming out of the Great Financial Crisis. Supply is expected to remain muted since construction starts are declining rapidly, current developer economics are no longer attractive and entitling and building a new project takes roughly five years. The current financing environment for senior housing remains capital constrained, with loans either coming due and/or interest rate caps coming off assets that were acquired during a period of low interest rates. We believe this should provide an active and growing external acquisition pipeline, where management can invest capital at an attractive "cost basis" below replacement cost. Lastly, we believe that management, led by Shankh Mitra (CEO), John Burkart (COO), Tim McHugh (CFO), and Nikhil Chaudhri (CIO), are astute capital allocators focused on driving accretive value per share. Putting this all together, we see a path for earnings to more than double over the next five years, leading to attractive return prospects for the fund

We also initiated a small position in **Duolingo, Inc.**, the world's leading language learning app with over 100 million monthly active users. The app has achieved remarkable levels of user engagement by effectively "gamifying" the otherwise tedious process of learning a foreign language. The company has maintained impressive levels of user growth (daily average user growth greater than 50%) and revenue growth (40%-plus), executed well against its new product roadmap, and achieved impressive 40%-plus incremental margins. We believe the management team is best in class, very technically capable (CEO and CTO both have PhDs in machine learning from Carnegie Mellon University), and product focused. We imagine several material upcoming catalysts; the broader launch of its AI tier (Max) that allows users to have real-time conversations with AI-based characters, and a substantial improvement of its Advanced English offering. We believe that these two initiatives will allow Duolingo to effectively address the broader worldwide market of 1.8 billion people currently learning English. As these new products rollout, we believe they should allow Duolingo to achieve higher pricing per user and lower customer churn. In addition, we believe there is an opportunity for the company to expand into related educational markets, such as Math and Music.

Table VI.
Top net sales for the quarter ended September 30, 2024

	Quarter End Market Cap or Market Cap When Sold ($ billions)	Net Amount Sold ($ millions)
Fair Isaac Corporation	47.7	26.7
DexCom, Inc.	29.0	25.9
Gartner, Inc.	39.1	25.5
FactSet Research Systems Inc.	17.5	14.3
LPL Financial Holdings Inc.	15.9	11.4

We reduced our position in **Fair Isaac Corporation** as its shares reached new all-time highs. We exited our position in **DexCom, Inc.** for the reasons discussed above. We managed down our investment in **Gartner, Inc.**, the Fund's largest position. We reduced our position in **FactSet Research Systems Inc.** as the sales environment remained challenging among its core financial services customers. We exited our position in **LPL Financial Holdings Inc.** as we evaluate the impact that lower interest rates may have on its business.

Outlook

As discussed, the Fed's decision to begin cutting interest rates spurred a meaningful rotation during the quarter, leading mid-cap stocks to outperform large-cap stocks for only the 4th time in the last 14 quarters. Entering the third quarter, mid-cap stocks had trailed large caps by more than 24% cumulatively over the last 3-plus years. We hope the latest rate cut cycle will mark the beginning of a period of outperformance for mid-cap stocks. In fact, data compiled by Goldman Sachs shows that mid-cap stocks are the best-performing market cap segment when the Fed cuts rates. Going back 40 years, Goldman found that in the year after a rate cutting cycle commences, mid-caps outperform large caps by about 3 percentage points and small caps by about 8 points.

This historic data is consistent with our belief that lower rates should result in the market ascribing a higher valuation to the future earnings streams of all companies. We believe this development would disproportionately benefit the types of businesses we favor – companies that benefit from long-term secular growth drivers with highly visible and growing earnings streams. In addition, we believe these types of companies have been out of favor relative to more speculative businesses, and we are optimistic that this trend will continue to reverse.

Sincerely,

Andrew Peck
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: Securities issued by medium sized companies may be thinly traded and may be more difficult to sell during market downturns. Even though the Fund is diversified, it may establish significant positions where the Adviser has the greatest conviction. This could increase volatility of the Fund's returns.

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 Asset 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. **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).

Baron Growth Fund

Dear Baron Growth Fund Shareholder:

Performance

Baron Growth Fund® (the Fund) gained 11.15% (Institutional Shares) for the quarter ended September 30, 2024. This exceeded the return of the Fund's benchmark, the Russell 2000 Growth Index (the Benchmark), which gained 8.41% for the quarter. The Russell 3000 Index, which measures the performance of the 3,000 largest publicly traded U.S. companies, gained 6.23% for the quarter.

The Fund generated strong performance during the quarter. Notably, our outperformance was driven by rebounds in several stocks that had suffered price declines earlier in the year. All have continued to generate robust fundamental growth this year, as they have over the long term. While stock prices may diverge from fundamentals in the short term, we believe that stock prices inevitably follow earnings growth over time. We believe that all our holdings offer compelling and durable growth opportunities, which we believe positions the Fund to deliver superior returns over time across market cycles.

NEAL ROSENBERG
PORTFOLIO MANAGER

RONALD BARON
CEO AND PORTFOLIO MANAGER

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

Table I.
Performance
Annualized for periods ended September 30, 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]	11.07%	11.15%	8.41%	6.23%
Nine Months[4]	7.42%	7.63%	13.22%	20.63%
One Year	15.62%	15.92%	27.66%	35.19%
Three Years	0.51%	0.77%	(0.35)%	10.29%
Five Years	10.49%	10.77%	8.82%	15.26%
Ten Years	11.05%	11.33%	8.95%	12.83%
Fifteen Years	12.62%	12.91%	11.09%	13.80%
Since Inception (December 31, 1994)	12.66%	12.81%	7.92%	10.81%

The Fund generated robust absolute and relative performance during the quarter. We observe that some of the Fund's best performing stocks, including **MSCI Inc.**, **Gartner, Inc.**, **Kinsale Capital Group, Inc.**, and **FactSet Research Systems Inc.**, all detracted from our performance last quarter. We believe that investors sold many of these companies earlier in the year due to temporarily slower growth, or to fund investments in relatively more speculative stocks. This quarter all these companies demonstrated improved financial performance in line with our long-term expectations, driving robust appreciation in their share prices.

Shares of excess and surplus (E&S) insurer Kinsale jumped 21% after it reported 21% growth in premiums and 30% growth in earnings for its most recent reporting period. We note that shares declined 27% in the prior

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

quarter despite the company reporting premium growth of 25% and earnings growth of 44%. This dramatic fluctuation in share price is illustrative of the market's myopic focus on short-term results, which presents significant opportunities for long-term investors. We believe that 21% growth in premiums, like last quarter's 25% growth, is a robust result that is indicative of continued market share gains. We believe that Kinsale is uniquely positioned to capture market share in the vast and growing E&S market and are optimistic about its prospects to earn outstanding returns on capital going forward.

Shares of MSCI rose 21% after declining 14% in the prior quarter, as strong sales execution enabled the company to accelerate growth despite tight budgets at investment management clients. MSCI grew its total revenue 10% organically and its index run rate by 12%. We believe that the company's competitive positioning remains unrivaled, it continues to benefit from durable secular trends, and its cash flow generation capabilities remain best-in-class. We see early signs of improving end-market conditions, which we expect will accelerate growth and drive multiple expansion.

Shares of FactSet rose 13% in the quarter, more than recouping last quarter's 10% decline, helped by better-than-expected sales and strong margin performance. The company's differentiated product portfolio and focus on workflow consolidation has enabled it to continue to take market share from competitors. FactSet management also highlighted early signs of improving customer buying patterns, which we expect will translate to enhanced free cash flow generation over the intermediate term.

Shares of Gartner gained 13% in the quarter after falling 6% in the prior period. Gartner's core subscription research businesses inflected higher, and we believe that growth will continue to accelerate over the next several quarters. We believe that Gartner will emerge as a critical decision support resource for every company that is evaluating the opportunities and risks of AI on its business, which we expect to provide a tailwind to Gartner's 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.

Historically, periods of relative underperformance for the Fund have been followed by much longer periods of meaningful outperformance. We are optimistic that this quarter will once again mark a turning point. Over the last 10 years, the Fund has experienced four periods of underperformance. On average, these periods of underperformance lasted for about year, with the average shortfall being 10.4% cumulatively or 8.7% 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 24 months, and on average the Fund outperformed by 26.9% cumulatively or 13.7% annualized during these periods.

The rise and fall of shares of Super Micro Computer, Inc. (Supermicro) further illustrates the danger of trying to chase short-term performance at the expense of a focus on long-term fundamentals. Supermicro, a manufacturer of computer servers and full-scale rack solutions, benefited from exuberance for AI-related investments earlier this year. Shares soared 255% in the first quarter alone, propelling the stock to a market capitalization of nearly $60 billion. While the company's revenue growth is significant, it is non-recurring and does not convert to earnings or free cash flow at attractive rates.

While other investors chased shares of Supermicro, we diligently adhered to our process, and did not compromise our rigorous quality standards simply to pursue a short-term investment trend. As Isaac Newton could have confidently predicted 300 years ago, once Supermicro's stock momentum started to wane, shares tumbled. As of September 30, shares of Supermicro have declined 66% from their high on March 8, underperforming the Benchmark by more than 70%. To add insult to injury, in late August, Supermicro delayed the filing of its 10-K, citing concerns regarding its internal controls over financial reporting. In late September, the *Wall Street Journal* reported an investigation into accounting irregularities has been opened by the U.S. Department of Justice.

Ironically, Supermicro's dramatic appreciation propelled its market capitalization to $60 billion at one point, catalyzing its removal from the Benchmark during its annual rebalance. Therefore, while the stock's surge counted against our relative performance through June, its subsequent decline has not been captured in our relative performance during this quarter. We estimate that had Supermicro remained in the Benchmark through September 30, the Fund's outperformance this quarter would have been closer to 5.00% instead of 2.74%.

Table II below 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 (GICS), the industry standard nomenclature, we believe it provides added transparency into our thought process.

Table II.
Total returns by category for the quarter ended September 30, 2024

	Percent of Total Investments (%)	Total Return (%)	Contribution to Return (%)
Financials	**49.3**	**15.40**	**7.37**
Clearwater Analytics Holdings, Inc.	0.1	36.34	0.03
Cohen & Steers, Inc.	2.1	33.17	0.58
Moelis & Company	0.3	21.66	0.06
MSCI Inc.	10.7	21.35	2.16
Kinsale Capital Group, Inc.	5.7	20.87	1.13
Houlihan Lokey, Inc.	0.9	17.60	0.16
FactSet Research Systems Inc.	6.8	12.94	0.85
Primerica, Inc.	4.7	12.49	0.61
Essent Group Ltd.	–	11.46	0.04
Arch Capital Group Ltd.	13.2	10.89	1.33
The Carlyle Group Inc.	0.9	8.19	0.07
Morningstar, Inc.	3.9	8.01	0.33
Core Growth	**25.7**	**8.99**	**2.43**
Guidewire Software, Inc.	2.1	32.70	0.54
Bright Horizons Family Solutions, Inc.	1.2	27.33	0.32
Gartner, Inc.	9.5	12.86	1.21
Bio-Techne Corporation	2.5	11.72	0.29
Neogen Corp.	0.3	7.55	0.02
Mettler-Toledo International Inc.	1.2	7.31	0.08
IDEXX Laboratories, Inc.	2.7	3.74	0.11
CoStar Group, Inc.	5.0	1.76	0.13
Krispy Kreme, Inc.	0.6	0.13	0.00

Table II. (continued)

	Percent of Total Investments (%)	Total Return (%)	Contribution to Return (%)
Core Growth (continued)			
Trex Company, Inc.	0.7	–10.10	–0.11
West Pharmaceutical Services, Inc.	–	–14.45	–0.17
Russell 2000 Growth Index		**8.41**	
Real-Irreplaceable Assets	**16.4**	**6.69**	**1.19**
Douglas Emmett, Inc.	0.9	33.45	0.26
Gaming and Leisure Properties, Inc.	3.6	15.49	0.55
Choice Hotels International, Inc.	5.1	9.76	0.50
Alexandria Real Estate Equities, Inc.	0.8	2.61	0.03
Red Rock Resorts, Inc.	1.4	–0.43	0.01
Vail Resorts, Inc.	4.6	–3.24	–0.16
Disruptive Growth	**8.5**	**5.45**	**0.45**
FIGS, Inc.	1.1	28.29	0.24
Iridium Communications Inc.	2.8	15.00	0.35
Farmers Business Network, Inc.	0.0	–	–

Table II. (continued)

	Percent of Total Investments (%)	Total Return (%)	Contribution to Return (%)
Disruptive Growth (continued)			
ANSYS, Inc.	3.7	–0.87	–0.02
Altair Engineering Inc.	0.9	–2.62	–0.03
Northvolt AB	0.1	–64.62	–0.09
Fees		**–0.31**	**–0.31**
Total	**100.0***	**11.12****	**11.12****

Sources: FactSet PA, Baron Capital, 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.*

Our investments in **Real/Irreplaceable Assets**, **Core Growth**, and **Financials** represent between 16.4% and 49.3% of the Fund's total investments, and aggregate to 91.5%. Another 8.5% 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 Financials and Core Growth outperformed the Benchmark, while our investments in Real/Irreplaceable Assets and Disruptive Growth trailed the Benchmark in the quarter.

Table III.
Performance Characteristics
Millennium Internet Bubble to Post-COVID-19

	Millennium Internet Bubble to Financial Panic 12/31/1999 to 12/31/2008	Financial Panic to Present 12/31/2008 to 9/30/2024	Millennium Internet Bubble to Present 12/31/1999 to 9/30/2024	Inception 12/31/1994 to 9/30/2024
Alpha (%)	5.05	3.62	5.17	6.63
Beta	0.58	0.81	0.71	0.72

Table IV.
Performance
Millennium Internet Bubble to Post-COVID-19. 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 9/30/2024		Millennium Internet Bubble to Present 12/31/1999 to 9/30/2024		Inception 12/31/1994 to 9/30/2024	
	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	78,391	13.97	97,586	9.64	360,977	12.81
Russell 2000 Growth Index	6,476	(4.71)	62,562	12.35	40,513	5.82	96,637	7.92
Russell 3000 Index	7,634	(2.95)	84,281	14.49	64,343	7.81	212,086	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 12.81% on an annualized basis since its inception on December 31, 1994, exceeding the Benchmark by 4.89% and the Russell 3000 Index by 2.00%. 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 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 13.97%, which has exceeded that of the Benchmark by 1.62% 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 $360,977 on September 30, 2024. This is approximately 3.7 times greater than the $96,637 the same hypothetical investment made in a fund designed to track the Benchmark would be worth, and over 70% 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 September 30, 2024

	Year Acquired	Market Cap When Acquired ($ billions)	Quarter End Market Cap ($ billions)	Total Return (%)	Contribution to Return (%)
MSCI Inc.	2007	1.8	45.8	21.35	2.16
Arch Capital Group Ltd.	2002	0.4	42.1	10.89	1.33
Gartner, Inc.	2007	2.3	39.1	12.86	1.21
Kinsale Capital Group, Inc.	2016	0.6	10.8	20.87	1.13
FactSet Research Systems Inc.	2006	2.5	17.5	12.94	0.85

Shares of **MSCI Inc.**, a leading provider of investment decision support tools, contributed to performance. The company reported solid earnings as both sales and cancellations rebounded from the prior quarter. During the quarterly call, management sounded upbeat about MSCI's long-term prospects and noted that client engagement remained strong across the globe. While near-term macro uncertainty remains, we retain long-term conviction as MSCI owns strong, "all weather" franchises and remains well positioned to benefit from numerous secular tailwinds in the investment community.

Specialty insurer **Arch Capital Group Ltd.** contributed to performance after reporting financial results that exceeded expectations. Operating return on equity was 20%, and book value per share rose 42% due to strong underwriting profitability and the establishment of a deferred tax asset at the end of last year. Shares likely benefited as well from a less active hurricane season and a market rotation away from banks during risk-off conditions in August. 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 **Gartner, Inc.**, a provider of syndicated research, contributed to performance in the quarter. Gartner's core subscription research businesses inflected higher in the quarter, and we believe growth is poised to accelerate over the next several quarters. Longer term, we think customers will use Gartner as a critical source of information regarding AI, providing a tailwind to Gartner's customer count and pricing power. We believe that consistent revenue growth and diligent cost controls can drive margin expansion and enhanced free cash flow generation over time. The company's balance sheet is in excellent shape and we expect management to deploy capital for aggressive share repurchases and opportunistic bolt-on acquisitions.

Table VI.
Top detractors from performance for the quarter ended September 30, 2024

	Year Acquired	Market Cap When Acquired ($ billions)	Quarter End Market Cap ($ billions)	Total Return (%)	Contribution to Return (%)
West Pharmaceutical Services, Inc.	2013	2.3	20.1	–14.45	–0.17
Vail Resorts, Inc.	1997	0.2	6.5	–3.24	–0.16
Trex Company, Inc.	2014	1.2	7.2	–10.10	–0.11
Northvolt AB	2020	3.6	2.2	–64.62	–0.09
Altair Engineering Inc.	2017	1.1	8.2	–2.62	–0.03

West Pharmaceutical Services, Inc. manufactures components and systems for the packaging and delivery of injectable drugs. Shares fell on lower-than-expected financial results and reduced guidance for the year due to customer inventory destocking. Post-pandemic, customers have been using inventory they had stockpiled to meet elevated pandemic-era demand. West was also able to shorten the lead time needed to meet demand, giving customers confidence that they can safely reduce inventory. We exited our position to reallocate capital towards stocks with more compelling near-term growth profiles.

Global ski resort company **Vail Resorts, Inc.** detracted from performance due to a drop in the number of season passes sold and the normalization of the ski industry following the post-pandemic surge of visitors. We remain investors. With a captive high-end consumer base who is willing to pay a premium for its services, Vail enjoys significant pricing power. It plans to cut $100 million in costs over the next two years by leveraging synergies within the business, which should result in improved margins. The company uses its strong balance sheet and robust cash flow to invest in its resorts and cover its dividend, and it recently increased its share buyback program. We think shares are attractive at current valuations.

Trex Company, Inc. is the leading manufacturer of composite decking materials for U.S. residential homes. The stock detracted from performance after the company lowered full-year guidance due to softer-than-expected demand for select lower-priced deck products. We believe this softness is isolated and transitory and the multi-year prospects for Trex and composite decking remain bright. Composite continues to gain market share from wood, and Trex is meaningfully expanding capacity to meet future expected demand.

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 September 30, 2024, our weighted average holding period was 17.2 years. This is dramatically longer than most other small-cap growth funds, which, according to Morningstar, turn over about 71% 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 19.1 years, ranging from a 7.8-year investment in **Kinsale Capital Group, Inc.** to investments in **Choice Hotels International, Inc.** and **Vail Resorts, Inc.** that now both exceed 27 years. We have held 23 investments, representing 88.9% of the Fund's total investments, for more than 10 years. We have held 10 investments, representing 11.1% 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 (%)
Arch Capital Group Ltd.	2002	3,813.4	17.7
Choice Hotels International, Inc.	1996	3,620.0	13.8
IDEXX Laboratories, Inc.	2005	3,410.3	19.9
MSCI Inc.	2007	2,505.8	21.3
Gartner, Inc.	2007	2,188.9	20.1
Mettler-Toledo International Inc.	2008	1,978.9	21.1
CoStar Group, Inc.	2004	1,784.1	15.9
Cohen & Steers, Inc.	2004	1,722.7	15.5
Morningstar, Inc.	2005	1,671.9	16.0
Primerica, Inc.	2010	1,480.3	21.0
ANSYS, Inc.	2009	1,126.0	17.3
Vail Resorts, Inc.	1997	1,068.8	9.3

The cohort of investments that we have held for more than 10 years earned a weighted average annualized rate of return of 16.8% since we first purchased them. This exceeded the performance of the Fund's Benchmark by 7.8% annualized. Five 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	1,656.5	44.2
Altair Engineering Inc.	2017	421.6	27.0
Moelis & Company	2015	394.2	18.6
Houlihan Lokey, Inc.	2017	344.4	23.9
Red Rock Resorts, Inc.	2016	266.3	16.7

The cohort of investments that we have held for fewer than 10 years has returned 26.8% annually on a weighted average basis since our initial purchase, exceeding the Benchmark by 16.9% annualized. Five of these investments have achieved annualized returns that exceeded the Benchmark by more than 10% per year, including two that have achieved annualized returns that exceeded the Benchmark by more than 20% per year.

Portfolio Holdings

As of September 30, 2024, we owned 33 investments. The top 10 holdings represented 69.1% of the Fund's total investments, all of which have been held for a minimum of seven 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 19.6% annually based on weighted average assets since our initial investment, exceeding the Benchmark by an average of 11.1% 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.

Table IX.
Top 10 holdings as of September 30, 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	42.1	1,001.3	13.2
MSCI Inc.	2007	1.8	45.8	816.1	10.7
Gartner, Inc.	2007	2.3	39.1	722.1	9.5
FactSet Research Systems Inc.	2006	2.5	17.5	520.8	6.8
Kinsale Capital Group, Inc.	2016	0.6	10.8	430.7	5.7
Choice Hotels International, Inc.	1996	0.4	6.2	390.9	5.1
CoStar Group, Inc.	2004	0.7	30.9	377.2	5.0
Primerica, Inc.	2010	1.1	9.0	356.6	4.7
Vail Resorts, Inc.	1997	0.2	6.5	348.6	4.6
Morningstar, Inc.	2005	0.8	13.7	295.2	3.9

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).

Dear Baron Small Cap Fund Shareholder:

Performance

CLIFF GREENBERG
PORTFOLIO MANAGER

Retail Shares: BSCFX
Institutional Shares: BSFIX
R6 Shares: BSCUX

Baron Small Cap Fund® (the Fund) was up 9.68% (Institutional Shares) in the third quarter of 2024. For the first nine months of 2024, the Fund is up 14.74%. The Fund is ahead of the Russell 2000 Growth Index (the Benchmark) for the quarter and the year-to-date period, with the Benchmark rising 8.41% this quarter and 13.22% year to date. The Fund beat the broader Russell 3000 Index this quarter, as small-cap stocks outperformed large caps for the first time this year, but trails for the year. The Russell 3000 Index was up 6.23% this quarter and has gained 20.63% year to date.

As shown in Table I below, the Fund has outperformed the Benchmark for all relevant periods. As of October 2, 2024, the Fund was also in the top quartile of all small-cap growth funds for each of the 1-, 3-, 5-, 10-, and 15-year periods. Since its inception 27 years ago, the Fund has generated excess returns of 400 basis points a year versus its Benchmark. The compounded return of this outperformance adds up over time. If one had hypothetically invested in the Fund at its inception (as many of you have, and we are incredibly grateful), your investment would have risen 13.6 times, meaning a $10,000 investment would be worth $146,080. This is 2.7 times more than if you had invested in a Fund that tracked the Benchmark, which would be worth $53,874.

U.S. stocks were higher in the third quarter, for the fourth consecutive quarter and seventh out of the past eight, ending the quarter at an all-time high. The market rally in the quarter, with solid performance from a wide swath of sectors and market caps, stood in contrast to the narrow market leadership of earlier periods. Small caps and rate sensitive sectors staged a strong rally at the beginning of the quarter, spurred by market anticipation of interest rate cuts that would propel economic growth. Stocks were volatile this period, as concerns of slowing economic growth/recession periodically entered the conversation and resulted in occasional big declines.

The Federal Reserve (the Fed) took a dovish stance based on greater confidence that inflation was moving back to its long-term target. Softer jobs reports had the Fed focused on trends in employment, the other side of its dual mandate. Chair Powell announced a policy adjustment, termed "recalibration." In late September, the Fed began its easing cycle with a 50-basis point reduction in the Fed Funds rate. The cut was seen as aggressive and interpreted as the first of many cuts to come. The market reacted positively.

The Fund's outperformance was the result of solid stock selection, especially in Information Technology (IT) and Financials. In IT, our application software stocks performed well. **Guidewire Software, Inc., Clearwater Analytics Holdings, Inc.**, **Intapp, Inc.**, and **Aspen Technology, Inc.** each rose over 20% because of strong fundamentals and as sentiment towards vertical software providers turned positive after an extended period of fear that AI could hurt their prospects. In Financials, **The Baldwin Insurance Group, Inc.** and **Kinsale Capital Group, Inc.** rose with solid earnings reports and benefited as the sector gained on the prospects of lower interest rates. We had other holdings whose share prices were bolstered by strong financial results, such as day care provider **Bright Horizons Family Solutions, Inc.**, medical device developer **Inspire Medical Systems, Inc.**, and employment screener **First Advantage Corporation**. Our Industrials and Consumer Discretionary holdings, which are considered interest rate sensitive, did well this quarter, after falling last quarter when rate cuts were less certain. Landscape supplier **SiteOne Landscape Supply, Inc.**, insulation installer **Installed Business Products, Inc.**, and flooring retailer **Floor and Decor Holdings, Inc.**, all gained nicely in the quarter.

The Fund's Health Care stocks performed poorly and hurt our performance, as **DexCom, Inc.** declined after it cut its outlook significantly, and **ICON Plc** fell over concerns about biotechnology funding. Also, biotechnology stocks were strong this quarter. Since the Fund does not invest in this sub-industry, as we have explained, our relative performance was hurt. We benefited by not having any Energy exposure, as the sector was weak this quarter. Our exposure to higher market cap holdings as well as those with lower betas hurt somewhat, which often is the case when small caps begin to rally. Our focus on growth too was a negative, as small-cap value did better this quarter.

As of 10/2/2024, the Morningstar Small Growth Category consisted of 568, 554, 537, 509, and 465 share classes for the 1-, 3-, 5-, 10-, and 15-year periods. Morningstar ranked Baron Small Cap Fund Institutional Share Class in the 24th, 24th, 17th, 21st, and 24th percentiles, respectively.

Morningstar calculates the Morningstar Small Growth Category Average performance and rankings using its Fractional Weighting methodology. Morningstar rankings are based on total returns and do not include sales charges. Total returns do account for management, administrative, and 12b-1 fees and other costs automatically deducted from fund assets.

Table I.
Performance
Annualized for periods ended September 30, 2024

	Baron Small Cap Fund Retail Shares[1,2]	Baron Small Cap Fund Institutional Shares[1,2,3]	Russell 2000 Growth Index[1]	Russell 3000 Index[1]
Three Months[4]	9.62%	9.68%	8.41%	6.23%
Nine Months[4]	14.51%	14.74%	13.22%	20.63%
One Year	28.90%	29.25%	27.66%	35.19%
Three Years	1.49%	1.75%	(0.35)%	10.29%
Five Years	12.12%	12.41%	8.82%	15.26%
Ten Years	10.87%	11.16%	8.95%	12.83%
Fifteen Years	12.38%	12.67%	11.09%	13.80%
Since Inception (September 30, 1997)	10.28%	10.44%	6.44%	8.86%

Table II.
Top contributors to performance for the quarter ended September 30, 2024

	Contribution to Return (%)
Vertiv Holdings Co	1.31
Guidewire Software, Inc.	1.29
The Baldwin Insurance Group, Inc.	1.06
Kinsale Capital Group, Inc.	0.86
Gartner, Inc.	0.70

Vertiv Holdings Co is a leader in data center equipment, with significant share in both power and cooling applications. The stock rebounded off recent weakness, as investors gained confidence that a massive build out of AI data centers globally was on the horizon. Vertiv's strong relationship with chip manufacturers and involvement in the necessary technology roadmap for solutions as the energy density of server racks increases were catalysts. Vertiv's orders were up 57% year-over-year in the second quarter, backlog was $7 billion, a record, and 2024 operating profit margin and EPS guidance was raised.

Shares of property and casualty (P&C) insurance software vendor **Guidewire Software, Inc.** advanced after subscription gross margins improved by more than 1,000 basis points in its most recently reported quarter. After a multi-year transition period, the company's cloud migration is substantially over. We believe cloud will be the sole path forward, with annual recurring revenue benefiting from new customer wins and migration of the existing customer base to InsuranceSuite Cloud. We believe Guidewire will be the dominant, 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%.

Insurance broker **The Baldwin Insurance Group, Inc.** contributed to performance after reporting second quarter financial results that exceeded Street expectations. Revenue grew 19% on an organic basis and EBITDA grew 22% despite a temporary margin headwind from a timing shift of profit-sharing commissions. Management reaffirmed their expectation of ongoing margin expansion while growing revenue organically at a double-digit rate. Falling interest rates also likely helped the stock, due to the company's elevated leverage profile consisting primarily of variable rate debt. We expect the company to continue gaining market share while expanding margins and reducing leverage over the next several years.

Other stocks that rose over 25% in the quarter but contributed less to the overall performance of the Fund were Intapp, Bright Horizons, Clearwater, Inspire, Floor & Decor, **Grid Dynamics Holdings, Inc.**, **Loar Holdings Inc.**, and **Liberty Media Corporation – Liberty Live**.

Table III.
Top detractors from performance for the quarter ended September 30, 2024

	Contribution to Return (%)
DexCom, Inc.	–0.57
Chart Industries, Inc.	–0.51
ICON Plc	–0.41
Janus International Group, Inc.	–0.41
indie Semiconductor, Inc.	–0.28

DexCom, Inc. sells a continuous glucose monitoring device for patients with diabetes. Shares fell after DexCom reported lower-than-expected second quarter financial results and reduced guidance for the year. A rare misstep for the company. Multiple issues surfaced during the earnings report. Management cited: 1) disruption from the expansion of its sales force; 2) channel dynamics including market share losses in the durable medical equipment channel, and a revenue per user headwind from Medicare Advantage plans offering pharmacy access to its members; 3) a negative impact from faster-than-anticipated rebate eligibility; and 4) a shortfall in international sales. We believe some of these issues are temporary and addressable, but we are circumspect.

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 1.31% and 1.05%, 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.

Chart Industries, Inc. is a global leader in design, engineering, and manufacturing of process and storage technologies and equipment for gas and liquid handling. Shares declined after the company once again missed earnings expectations on revenue recognition timing and lowered full-year guidance. Business fundamentals are strong, with record revenue, backlog, margins, and a solid order pipeline. We believe the issues with the stock price are self-inflicted, with management setting expectations too high and then needing to cut them back. Chart is unique in its breadth of technology and solutions capabilities in long-duration secular growth markets (LNG, hydrogen, carbon capture, water treatment, etc.). As management "clear the decks" on guidance and focus returns to double-digit organic growth and improving free cash flow, we think the company will earn the valuation it deserves. The stock now trades at seven times our estimate of forward EBITDA, which is very cheap.

ICON Plc is the second largest global contract research organization, providing outsourced drug development services to pharmaceutical and biotechnology clients. Shares fell on continued concerns about levels of biotechnology and big pharma R&D funding, with investors focusing on book-to-bill figures, which came in slightly below expectations, and cancellations, which grew 7% sequentially. We retain conviction. Second quarter EPS beat consensus, more than offsetting a slight revenue miss. Longer-term, we are confident demand will improve as biotechnology funding picks up due to lower interest rates and big pharma R&D comes back due to the need for new products, especially for later stage projects that are ICON's sweet spot.

Other stocks that declined over 20% in the quarter but had less impact on our results were **Repay Holdings Corporation** and **indie Semiconductor, Inc.**

Portfolio Structure & Recent Activity

As of September 30, 2024, the Fund had $4.5 billion in net assets and owned 57 stocks. The top 10 stocks in the Fund made up 43.3% of the net assets. Turnover was 12.4% as measured by a three-year average. This number of holdings is lower, level of concentration is higher, and trading activity is lower than usual. This is the outgrowth of strong performance of our top holdings, from us "cutting our weeds" as we are known to say…selling out of some small positions that we no longer favor, and investing less in new ideas. We think this is all just a moment in time and suspect that these measures will return to more historic levels. We expect that the capital markets will be more active in the future and will offer us the opportunity to invest in more IPOs and secondaries.

Table IV.
Top 10 holdings as of September 30, 2024

	Year Acquired	Quarter End Investment Value ($ millions)	Percent of Net Assets (%)
Vertiv Holdings Co	2019	353.2	7.8
Gartner, Inc.	2007	253.4	5.6
Guidewire Software, Inc.	2012	215.0	4.8
Kinsale Capital Group, Inc.	2019	209.5	4.6
ICON Plc	2013	196.8	4.4
Red Rock Resorts, Inc.	2016	163.3	3.6
The Baldwin Insurance Group, Inc.	2019	149.4	3.3
TransDigm Group Incorporated	2006	142.7	3.2
ASGN Incorporated	2012	139.8	3.1
SiteOne Landscape Supply, Inc.	2016	132.0	2.9

The Fund primarily invests in four sectors – Industrials, IT, Consumer Discretionary, and Health Care. These are the areas where we believe we have the most investment expertise and where we have had our greatest success over time. We are playing to our strength. We look for leading/special companies in each of those sectors that often share the same characteristics of durable competitive advantage, compelling business models, successful track records, strong growth outlooks, and proven management teams that we respect.

We invest in these great companies after deep due diligence and size the positions based on conviction, valuation, and with consideration of risk mitigation. This results in a diversified portfolio that varies greatly from the Benchmark to which we are compared. As has been the case for a while, we are overweight in Industrials, IT, and Consumer Discretionary, and significantly underweight in Health Care. The overweight in Industrials was lower this quarter than in the past, since we have trimmed some of our holdings in that group. And our underweight in Health Care is more pronounced than in the past after the recent rebalancing of the Benchmark.

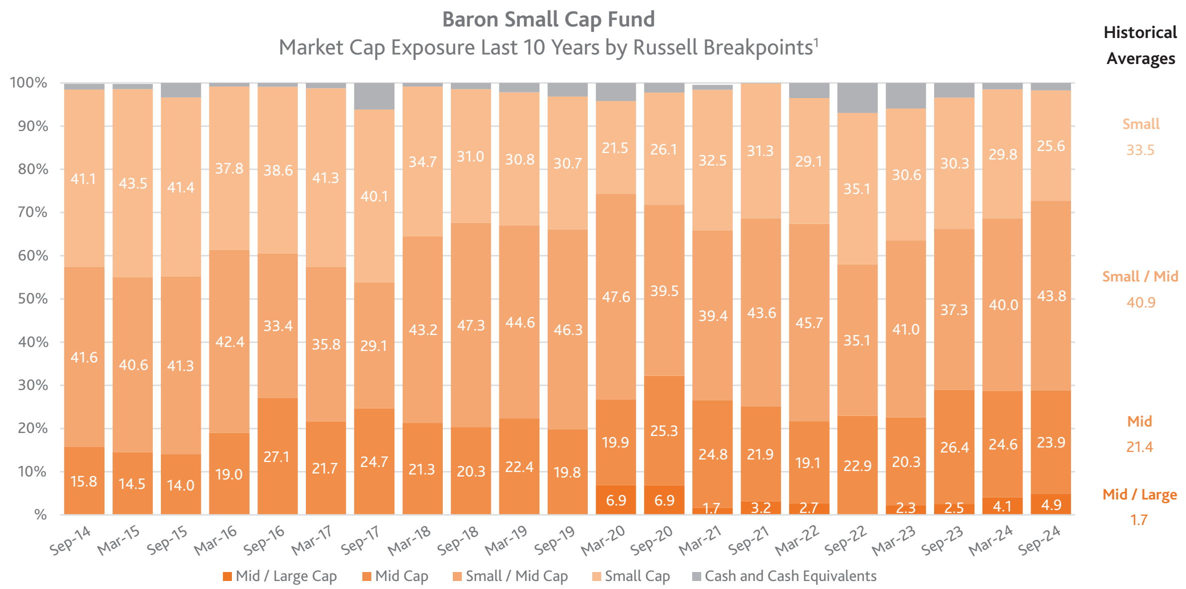
Our calling card is that our portfolio is laden with "big winners" and long-term holdings. These are distinguishing characteristics of the Fund.

As of September 30, about 74% of the net assets in the Fund are invested in stocks that have doubled or more since purchase. 48% of our assets are in 18 stocks that have risen five times or more from purchase, and 24% of our assets are in 10 stocks that have risen ten-fold or more since purchase. Pretty extraordinary and a testament to our research process and investment philosophy. The "ten baggers" have appreciated at an annualized rate of 40% on a weighted average basis over the years, proving that great stock performance can last for years. And they have risen 49% on a weighted average basis year to date, showing they are still strong performers.

Also, 34% of the assets are invested in stocks we have held 10 years or more, and another 26% in stocks held from 5 to 10 years….so 60% of our capital is in stocks held at least 5 years. The stocks we have held over 10 years have returned 19% a year since purchase, on a weighted average basis, which is about the same return for holdings of 5 to 10 years and under 5 years. So, it has paid to hold onto "winners" for the long term...to "let our flowers" grow.

We have been practicing this approach of long-term investing since inception. We hold onto our winners as they grow, as this has been additive to our performance and consistent with our style. We proactively trim the position sizes as the size of our holdings increases in market capitalization and recycle that capital into new small-cap investments. For our largest holdings, we own a very modest portion of our peak position.

This approach has resulted in a different market cap spread than most other small-cap funds. Presently 26% of the Fund is invested in small-cap stocks; another 44% is in small/mid cap; 24% is in mid-caps and 5% is in mid/large caps. As you can see, the levels of these holdings have been very consistent over the years, which is by design.



[1] The Russell market cap breakpoints are provided by The Bank of New York Mellon in their monthly Total United States Equity Profile Report, which recalculates the "Russell 3000 Index Breakpoints" for the various market cap segments on a monthly basis applying the methodology used for the Russell Indexes at reconstitution.

Sources: Baron Capital and The Bank of New York Mellon Corporation.

Table V.
Top net purchases for the quarter ended September 30, 2024

	Year Acquired	Quarter End Market Cap ($ billions)	Net Amount Purchased ($ millions)
Ibotta, Inc.	2024	1.9	21.7
GCM Grosvenor Inc.	2024	2.1	19.0
Driven Brands Holdings Inc.	2021	2.3	6.9
nCino Inc.	2023	3.7	6.2
John Bean Technologies Corporation	2017	3.1	2.3

Ibotta, Inc. stock traded down in the quarter, due to short-term headwinds (primarily in display advertising, which is not an area of focus for the company). We retain conviction that Ibotta will remain the leader in consumer rewards and incentives, with multiple drivers to reach greater than 20% revenue growth per year and strong incremental profitability. Beyond continued initiatives in ramping their partnership with Walmart, Ibotta announced a partnership with Instacart, which validates our belief that Ibotta can be the aggregated platform for consumer incentives. We believe there is a strong pipeline of retailers and brands to join the Ibotta ecosystem. As a result, we added to our Ibotta position when the stock was trading at around 7 times next year's EV/EBITDA, which we think is inexpensive for a market leader with a strong financial profile.

We initiated a position in **GCM Grosvenor Inc.** in the quarter. Grosvenor is an alternative asset manager with $79 billion in assets under management (AUM), which is invested in both Private Markets ($56 billion) and hedge funds ($23 billion). Grosvenor has a 53-year history of supporting clients with their investments in alternatives, a secular growth area within financial services. Due to the long duration nature of these investments, capital is generally committed for 5 to 10 years. This creates a highly resilient earnings model, helped further by client reinvestments, which are typically 30% higher than the prior commitment. Grosvenor helps its clients to access, choose, and manage these investments. This requires specialized expertise due to the fragmentation of the alternatives industry, the illiquid nature of these assets, and LPs lacking the necessary scale to build this talent and effectively diligence managers and investments for themselves. Grosvenor has particular strengths in infrastructure and sustainable investing, with each growing AUM at a 20%-plus CAGR over the past 3.5 years.

We think Grosvenor is a high-quality business with durable earnings, secular growth tailwinds, and further margin expansion opportunities, led by a management team with significant skin in the game (CEO owns over 35% of the company). We believe Grosvenor can double fee-related earnings and EPS over the next 5 years and, with the stock trading at a discount to peers, this should lead to good upside from current levels.

Table VI.
Top net sales for the quarter ended September 30, 2024

	Year Acquired	Market Cap When Acquired ($ billions)	Quarter End Market Cap or Market Cap When Sold ($ billions)	Net Amount Sold ($ millions)
Installed Building Products, Inc.	2017	2.4	7.0	43.3
Floor & Decor Holdings, Inc.	2017	3.0	13.3	34.1
Sprout Social, Inc.	2022	3.5	1.6	24.8
Vertiv Holdings Co	2019	1.0	37.3	23.3
Endava plc	2019	1.5	1.5	22.0

During the quarter we trimmed some of our strong performers and exited four positions. We decreased our holdings in **Installed Building Products, Inc.** and **Floor & Decor Holdings, Inc.** to manage the position sizes after recent stock rallies. Both stocks ran in the quarter as interest rates declined.

We exited our position in **Sprout Social, Inc.** during the quarter following several quarters of mixed execution and a change at the CEO position.

We sold **Endava plc** as IT services demand has slowed due to macroeconomic uncertainty, overspending during the pandemic, and as customers evaluate recent advancements in generative AI. Endava's results have been worse than its peers' due to less diversified end-market exposure and pullbacks from a few large customers. Given low visibility into a rebound in sales and margins, we decided to exit the investment.

We exited our small position in **European Wax Center, Inc.** following continued deterioration in unit economics and belief that management's efforts to increase customer counts might not be effective. Subsequent to our sale, European Wax Center reduced their expectations for unit growth and also announced the exit of both the CEO and CMO.

Finally, we sold **Loar Holdings Inc.** following the stocks over 150% appreciation from its IPO price of $28 in April. Trading at 45 times 2024 EBITDA and 35 times 2025 EBITDA, we believe that a material portion of future gains have been pulled forward even with the assumption of a significant amount of M&A and organic growth estimated in coming years.

Outlook

As we begin the fourth quarter, as usual, there are some issues weighing on the market.

First, the U.S. elections are only a month away, and the race is too close to call. The candidates favor different economic policies. It seems unlikely that one party would sweep the presidency and both House and Senate, but it is possible. It is reasonable that investors would take a cautious approach until this all is settled.

Second, the war in the Middle East has intensified. There is fear of an expanded regional war, which would likely result in a spike in oil prices, among other things. Fingers crossed that this does not happen, but, if it does, it would disturb the present benign inflation outlook and could alter the path of interest rate cuts, which is at the core of the current positive market sentiment.

And third, and most importantly, the economic outlook is uncertain. The U.S. economy is solid but slowing. We hear it in our conversations with company executives. More of our holdings reduced their outlooks this quarter than usual, related to the softening macro environment.

The Fed has acknowledged this slowdown. With inflation under control, they have turned their focus to the level of employment. The market now expects many more interest rate cuts and is hopeful that the economy will remain intact as rates decline. The recent positive payroll report, with unemployment rate falling to 4.1%, has momentarily eased concerns about the near-term path of growth. But on the other hand, if the economy holds up too well, then the pace of rate cuts might disappoint, and inflation may even reappear. It's a bit of a double-edged sword.

Lower interest rates would be positive for future growth, especially for certain areas that are depressed, such as housing, finance, and consumer spending. Lower rates are also good for stock valuations. Often small- and mid-cap stocks have benefited the most, relatively speaking, when rate cuts begin. However, sometimes interest rate cuts are the precursor to a recession, which would be bad for earnings and stocks.

We believe we own a portfolio of special businesses that have succeeded and will continue to do so. For the most part, the companies are presently growing slower than normal, as we are still working our way through this unusual post-COVID environment. We expect growth to be faster in the future, we are just not sure if that is around the corner or not. We believe our stocks are reasonably valued on their present fundamentals and cheap when looked at over the long term or assuming an acceleration in growth.

Thank you very much for your interest in the Fund. We remain excited about the prospects for continued strong returns.

Cliff Greenberg
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: Specific risks associated with investing in smaller companies include that the securities may be thinly traded and more difficult to sell during market downturns. Even though the Fund is diversified, it may establish significant positions where the Adviser has the greatest conviction. This could increase volatility of the Fund's returns.

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 manager 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 Small Cap Fund by anyone in any jurisdiction where it would be unlawful under the laws of that jurisdiction to make such offer or solicitation.

Upside Capture explains how well a fund performs in time periods where the benchmark's returns are greater than zero. **Free cash flow (FCF)** represents the cash that a company generates after accounting for cash outflows to support operations and maintain its capital assets. **Price/Earnings Ratio or P/E (next 12-months):** is a valuation ratio of a company's current share price compared to its mean forecasted 4 quarter sum earnings per share over the next twelve months. If a company's EPS estimate is negative, it is excluded from the portfolio-level calculation. **EPS Growth Rate** (3-5-year forecast) indicates the long term forecasted EPS growth of the companies in the portfolio, calculated using the weighted average of the available 3-to-5 year forecasted growth rates for each of the stocks in the portfolio provided by FactSet Estimates. The EPS Growth rate does not forecast the Fund's performance.

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).

Baron Opportunity Fund

Dear Baron Opportunity Fund Shareholder:

Performance

During the third quarter, Baron Opportunity Fund® (the Fund) rose 4.04% (Institutional Shares), outperforming the Russell 3000 Growth Index (the Benchmark), which gained 3.42%, but trailing the S&P 500 Index, which advanced 5.89%. For the first nine months of 2024, the Fund posted solid gains, increasing 25.31%, slightly outperforming the Benchmark, which rose 24.00%, and beating the S&P 500 Index, which appreciated 22.08%.

Table I.
Performance†
Annualized for periods ended September 30, 2024

	Baron Opportunity Fund Retail Shares[1,2]	Baron Opportunity Fund Institutional Shares[1,2,3]	Russell 3000 Growth Index[1]	S&P 500 Index[1]
Three Months[4]	3.98%	4.04%	3.42%	5.89%
Nine Months[4]	25.06%	25.31%	24.00%	22.08%
One Year	43.85%	44.24%	41.47%	36.35%
Three Years	3.22%	3.49%	11.31%	11.91%
Five Years	20.82%	21.15%	19.09%	15.98%
Ten Years	16.96%	17.27%	16.04%	13.38%
Fifteen Years	15.85%	16.16%	16.17%	14.15%
Since Inception (February 29, 2000)	9.67%	9.86%	7.48%	8.04%

Review & Outlook

U.S. equities closed higher for a fourth consecutive quarter, as generally upbeat economic reports supporting the soft-landing narrative and the Federal Reserve's long-awaited dovish pivot spurred a meaningful rotation out of large-cap, *Magnificent Seven* stocks and into value/cyclicals/small caps. Beneath the surface, the market advance was anything but uneventful, with the S&P 500 Index falling by nearly 9% in late July/early August and by more than 4% in early September, before quickly recouping losses on both occasions. Shifting investor sentiment was reflected in the movement of the VIX Index, which briefly spiked above 65, its highest level since the onset of the COVID-19 pandemic and a mark hit only a few times in its 35-year history. The Magnificent Seven, which dominated market performance during the first half of the year, moved in opposite directions during the third quarter, as double-digit gains from **Tesla, Inc.**, **Meta Platforms, Inc.**, and **Apple Inc.** were mostly offset by declines from Alphabet, **Amazon.com, Inc.**, **Microsoft Corporation**, and **NVIDIA Corporation**, with the group posting a modest gain of 1.7% for the period. Sector leadership was centered in rate-sensitive sectors expected to benefit from lower interest rates, namely Utilities, Real Estate (REITs), Industrials (building products), Financials (regional banks and insurers), and Consumer Discretionary (homebuilders). Information Technology (IT) and

MICHAEL A. LIPPERT
PORTFOLIO MANAGER

Retail Shares: BIOPX
Institutional Shares: BIOIX
R6 Shares: BIOUX

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 1.32% and 1.06%, 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 Adviser may waive or reimburse certain Fund expenses pursuant to a contract expiring on August 29, 2035, 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 BaronCapitalGroup.com or call 1-800-99-BARON.

† The Fund's historical performance was impacted by gains from IPOs and there is no guarantee that these results can be repeated or that the Fund's level of participation in IPOs will be the same in the future.

1 The **Russell 3000® Growth Index** measures the performance of the broad growth segment of the U.S. equity universe. 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 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 3000® 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. 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

Communication Services underperformed due to declines from certain members of the Magnificent Seven, specifically Microsoft, NVIDIA, and Alphabet.

Despite this backdrop for the quarter, Fund performance was solid, with a strong quarterly absolute gain of just over 4%, and modest relative outperformance versus the Benchmark. This was due to stock picking, as the Fund's selection and interaction effect added nearly 100 basis points of relative gains. Relative outperformance stemmed from our biotechnology investments in **argenx SE** (antibody immunology platform) and **Arcellx, Inc.** (cell therapy for multiple myeloma); our application software investments in **Guidewire Software, Inc.** (property and casualty (P&C) insurance platform) and **Samsara Inc.** (industrial digitization pioneer); electric vehicle (EV) and autonomous driving and robotics leader, **Tesla, Inc.**; and consumer digital plays **Duolingo, Inc.** (language learning innovator), **Spotify Technology S.A.** (streaming audio leader), and **Shopify Inc.** (e-commerce platform). Not owning Alphabet was another positive relative contributor in the quarter. On the flip side, notable relative detractors included our auto-semiconductor holdings, **indie Semiconductor, Inc.** and **Mobileye Global Inc.** (see below); cybersecurity leader **CrowdStrike Holdings, Inc.**, due to the well-publicized outage that occurred in July (see below); semiconductor lithography equipment leader, **ASML Holding N.V.**, which retreated on concerns regarding enhanced U.S. government trade restrictions; and the Fund's underweight in Apple, which rose this quarter in anticipation of the launch of Apple Intelligence to come in early 2025, Apple's initial foray into generative AI (Gen AI).

AI Infrastructure/Semiconductor Demand

Following up on the AI discussion in our last letter,[1] our research over the past three months, including a recent Baron research trip up and down Silicon Valley, has confirmed that we remain in an AI arms race. This arms race can be described as a contest to develop the one foundational model[2] to "rule them all," to borrow a line from Tolkien, and be the first to achieve artificial general intelligence, or AGI.[3] The racecourse has been built on scaling laws, and the race obstacles are data, compute, and models. AI scaling laws describe the predictable trend of improvement in model performance with increases in three key factors: model size (number of parameters), data size (amount of training data), and compute instances (amount of computation used). Here is a simple breakdown:

- ***More data***: As we train models on larger datasets, they generally perform better. More data provides a richer set of examples for the model to learn from, helping it capture patterns and nuances.
- ***More Compute***: Increasing computational power (more GPUs or faster processors) allows for training larger models or training existing models more thoroughly. With more compute, models can process data faster and experiment with more parameters, leading to better performance.
- ***Larger Models***: Increasing the size of the model, i.e., the weights or parameters, helps the model gain more capacity or brainpower to learn from larger datasets and capture more intricate patterns.
- ***Better Answers***: Larger models provide better answers to user questions.

Companies that don't enter the AI race are left watching from the sidelines, missing out on the biggest technology and industrial transformation and economic jackpot in a generation. The entry fee of capital and operating investments is high. But the winners' podium will likely hold more than just the first, second, and third places, but probably less than ten. None of the large hyperscalers nor consumer internet players, not to mention a handful of sovereigns, can risk not having runners in this race.

To be sure, just the other day, Jensen Huang, NVIDIA's CEO, stated in a CNBC interview that "the demand for Blackwell [NVIDIA's next-generation platform] is insane. Everybody wants to have the most and everybody wants to be first." Larry Ellison, the CEO and founder of Oracle, publicly told the story of how he and Elon Musk were literally "begging Jensen for GPUs" over dinner with him. Elon's xAI recently opened a new data center, called Colossus, in Memphis, Tennessee, which was described by an xAI employee as "the largest data center on the planet." On our research trip, we met with the CEO of a major AI infrastructure player, who stated, in very blunt terms, we are "building…big a** networks for them," explaining that each of the "big 5" – Amazon, Google, Microsoft, Meta, and Oracle – are planning to build data centers at the scale of 100,000 AI accelerator chips (i.e., GPUs).

Here are a few quotes from hyperscaler CEOs on the AI infrastructure arms race:

- Amazon CEO Andy Jassy: "While we're investing a significant amount in the AI space and in infrastructure, we would like to have more capacity than we already have today. I mean, we have a lot of demand right now, and I think it's going to be a very, very large business for us."
- Meta CEO Mark Zuckerberg: "The downside of being behind is that you're out of position for like the most important technology for the next 10 to 15 years…I'd rather risk building capacity before it is needed rather than too late, given the long lead times for spinning up new infra projects…The amount of compute needed to train Llama 4 will likely be almost 10 times more than what we used to train Llama 3 and future models will continue to grow beyond that."
- Alphabet's Sundar Pichai: "When we go through a curve like this, the risk of underinvesting is dramatically greater than the risk of overinvesting for us here. Even in scenarios where if it turns out that we are overinvesting… these are infrastructure which are widely useful for us."

While scaling laws have governed the mounting investments in model training infrastructure, they are now set to drive an inflection in inference compute requirements. Just a few weeks ago, OpenAI released a new series of "chain of thought" models, nicknamed Strawberry and released as the o1 series, designed to spend more time thinking and reasoning before they provide an inference response (measured by the number of tokens). These models reason through complex tasks and solve harder problems than previous models in science, coding, and math. This is a new type of inference architecture, where the models iterate on the answer after the initial prompt or query. In simple terms, the first answer becomes the new prompt and the

[1] As well as the Baron Insights piece, "AI Hype and the Death of Software," dated September 2024, which can be found on the Firm's website.
[2] A foundational model is a machine learning or deep learning model that is trained on broad data sets such that it can be applied across a wide range of use cases.
[3] AGI refers to the hypothetical intelligence of a machine that possesses the ability to understand or learn any intellectual task that a human being can.

model cycles through iterations as it "thinks" until the best answer is achieved. Inference innovations and evolutions like this require significantly more compute for inferencing, another growth driver for the AI accelerator manufacturers, like NVIDIA and **Broadcom Inc.** One of our team asked Jensen about this and he replied that "this is a massive inflection…all of a sudden, the model has to be inferenced many more times for each token… depending on the quality of the answer." A recent Morgan Stanley note stated: "inference is starting to solve much more complex problems which will require a richer mix of hardware...the notion that a more thoughtful, task-oriented inference would cause an exponential jump in inference complexity strikes us as an important new avenue for growth."

The Data Layer

In our discussion of software in our last letter,[4] we stated that "the enterprise software winners will have to be better at delivering AI services and features than build-your-own AI tools" and that "the winners will be the ones that have a well-established product development culture of innovation and iteration; differentiated proprietary, industry, and customer data; distribution advantages with large customer bases, successful go-to-market efforts, and key partners; well-designed workflows where AI improves the user interface, intelligent predictions/recommendations, and automation; and established always-on connectivity and feedback from their customers; among other things." In this piece, we'd like to focus on the importance of the "the data layer" of the AI stack and in building differentiated AI applications.

While much attention today is often placed on the semiconductor or infrastructure layer of the AI stack, as we did above, our research has confirmed that it is the data layer – proprietary data and robust data processing – that forms the foundation for advanced AI applications. To build transformative, reliable AI applications, companies will need to build strategies around their data. Without a robust and scalable data infrastructure, AI models and algorithms lack essential raw material to generate meaningful insights, predictions, and automation. An advantageous data asset is not just about volume, it's about how the data is managed and processed – it's about quality (is the data accurate, complete, clean, and reliable?), structure (how is the data organized, stored, and manipulated?), accessibility (can models access it for inference and training?), orchestration (how is the data organized and combined with data from multiple sources?), and governance (is the data compliant and secure?). Proprietary datasets are becoming key differentiators. Organizations with unique access to high-quality, domain-specific data are positioning themselves to build smaller, use-case-specific models that deliver superior performance, enabling them to solve more complex problems. For example, Samsara is accelerating its market share capture in the telematics and commercial fleet safety sector because of the 10 trillion data points it collects from the more than 70 billion miles driven annually. The growing data asset – which is cleaned, structured, and stored in one connected operation cloud – fuels more AI-powered insights that help reduce accidents, emissions, and insurance premiums, driving more value than competitive solutions. **Datadog, Inc.** monitors the IT infrastructure and application activity for 28,700 customers in every industry, collecting trillions of data points per hour from a very diverse set of application types and IT environments. It then applies AI techniques like root cause analysis, natural language querying, and autonomous investigations to help customers solve IT problems faster than competing solutions. Looking forward, we believe companies that have a firm grasp on data infrastructure, combined with unique access to proprietary datasets, will be essential drivers of value in the AI ecosystem.

At the end of the third quarter, the Fund had significant investments in the semiconductor and software industry verticals. As we define software,[5] we had a 26.6% weight in the industry group, 800 basis points overweight our Benchmark. For semiconductors, we had a 21.2% weight in the industry group, 706 basis points overweight our Benchmark.

Below is a partial list of the secular megatrends we focus on:

- Cloud computing
- Software-as-a-service (SaaS)
- AI
- Mobile
- Semiconductors
- Digital media/entertainment
- Targeted digital advertising
- E-commerce
- Genetic medicine/genomics
- Minimally invasive surgical procedures
- Cybersecurity
- EVs/autonomous driving
- Electronic payments
- Robotics

We continue to run a high-conviction portfolio with an emphasis on the secular trends cited and listed. Among others, during the third quarter we initiated or added to the following positions:

- Semiconductors: **Broadcom Inc.** and **indie Semiconductor, Inc.**
- Software: **Atlassian Corporation Plc, Cloudflare, Inc., Cadence Design Systems, Inc., PAR Technology Corporation, GitLab Inc.,** and **HubSpot, Inc.**
- Digital learning: **Duolingo, Inc.**
- Data centers: **GDS Holdings Limited**

Table II.
Top contributors to performance for the quarter ended September 30, 2024

	Contribution to Return (%)
Tesla, Inc.	1.08
Meta Platforms, Inc.	0.73
Guidewire Software, Inc.	0.64
argenx SE	0.60
Arcellx, Inc.	0.48

Tesla, Inc. designs, manufactures, and sells EVs, related software and components, and solar and energy storage products. Tesla shares contributed to performance during the quarter, reflecting increased investor confidence and optimism in Tesla's AI initiatives, stabilization in the company's industrial operations, including strong growth in its energy segment, and the anticipated launch of new vehicle models in the first half of 2025. After years of industry-wide investments in autonomous vehicles,

[4] See also the Baron Insights piece mentioned in footnote 1.
[5] We view both Dayforce, Inc. and PAR Technology Corporation as software companies, although GICS characterizes them in different industry verticals.

advancements in AI technology have accelerated the development of autonomous driving technology. Tesla deployed its AI-based Full Self Driving (FSD) solution last year and has demonstrated rapid improvements in driving performance. It has articulated a goal of achieving nearly a 20-fold improvement in miles driven between critical disengagements – soon exceeding 10,000 miles – over a two-month period this fall.

AI relies on vast amounts of high-quality data and computational power, and we believe Tesla possesses distinct assets that will serve as a strong foundation for its AI initiatives. Since 2016, every Tesla vehicle produced has been outfitted with cameras and essential hardware, resulting in millions of connected cars globally that gather data from billions of miles driven each year by the Tesla fleet. This rich and unique dataset is invaluable for FSD training. Tesla is also differentiating with its AI training compute factory. Tesla finished 2023 with close to 15,000 NVIDIA H100 chip equivalents in training computation power. By the second quarter of 2024, it doubled this capacity. In the third quarter, the company activated its advanced training data center in Texas, which should allow the company to harness up to 90,000 H100 equivalent compute power by the end of 2024 – six times the compute capacity it had at the beginning of the year and by far the world's largest autonomous driving training cluster. Unlike any other automotive company, Tesla is investing billions of profits generated by its automotive segment in its AI initiatives aiming to capture material share in lucrative markets of autonomy and robotics.

The rapid improvements in AI models and their ability to generalize machine learning efficiently, is also contributing to the developments of humanoids. Tesla is leveraging its multi-year, multi-billion-dollar investments in technologies such as inference and training compute, actuators, batteries, inverters, and scaled production capabilities – developed initially for its automotive business – to kickstart its Optimus humanoid-robot business. The company aims to deploy thousands of robots in its production facilities by the end of 2025, with plans to sell them to customers by 2026. We believe that the humanoid robot market opportunity could one day be even larger than the combined automotive and robotaxi opportunities.

On October 10, the company hosted its much-anticipated AI and robotaxi event, titled "We, Robot." This event provided additional insights into the company's initiatives and may further strengthen investor confidence in Tesla's market position.

Shares of **Meta Platforms, Inc.**, the world's largest social network, were up this quarter, due to impressive top-line growth of 22% year-over-year and solid forward guidance. Despite its large scale, Meta continues to outgrow the broader digital advertising industry, with better AI-driven content recommendations increasing engagement in products like Instagram Reels, and AI improving ad targeting and conversion rates. Our industry checks have continued to validate advertiser adoption and satisfaction, with improvements in Reels monetization, as well as strong adoption of Advantage+, Meta's AI-driven service to allocate advertiser budgets across its content surfaces.

Meta continues to innovate in Gen AI, with a leading AI research lab and the best open-source models to date. We believe CEO Mark Zuckerberg's open-source approach will encourage a broader developer ecosystem and standardization based on Meta, which will be beneficial for the company even if Meta doesn't directly monetize model usage over the near term. In a blog this summer, titled "Open Source AI Is the Path Forward," Zuckerberg laid out his case:

- Today, several tech companies are developing leading closed models. But open source is quickly closing the gap. Last year, Llama 2 was only comparable to an older generation of models behind the frontier. This year, Llama 3 is competitive with the most advanced models and leading in some areas. Starting next year, we expect future Llama models to become the most advanced in the industry. But even before that, Llama is already leading on openness, modifiability, and cost efficiency.
- Today we're taking the next steps towards open-source AI becoming the industry standard. We're releasing Llama 3.1 405B, the first frontier-level open-source AI model…In addition to having significantly better cost/performance relative to closed models, the fact that the 405B model is open will make it the best choice for fine-tuning and distilling smaller models…Now you'll be able to take the most advanced Llama models, continue training them with your own data and then distill them down to a model of your optimal size – without us or anyone else seeing your data…Many organizations don't want to depend on models they cannot run and control themselves. They don't want closed model providers to be able to change their model, alter their terms of use, or even stop serving them entirely. They also don't want to get locked into a single cloud that has exclusive rights to a model… Many organizations handle sensitive data that they need to secure and can't send to closed models over cloud APIs. Other organizations simply don't trust the closed model providers with their data. Open source addresses these issues by enabling [organizations] to run the models wherever [they] want.
- Meta's business model is about building the best experiences and services for people. To do this, we must ensure that we always have access to the best technology, and that we're not locking into a competitor's closed ecosystem where they can restrict what we build. One of my formative experiences has been building our services constrained by what Apple will let us build on their platforms. Between the way they tax developers, the arbitrary rules they apply, and all the product innovations they block from shipping, it's clear that Meta and many other companies would be freed up to build much better services for people if we could build the best versions of our products and competitors were not able to constrain what we could build. On a philosophical level, this is a major reason why I believe so strongly in building open ecosystems in AI and AR/VR for the next generation of computing.

Beyond foundational research and development, we are beginning to see Meta's core apps incorporate Gen AI in the user experience, with Meta AI reaching over 500 million monthly active users today. Meta is also the mega-cap technology company most focused on profitability and efficient innovation. Long term, we believe Meta will utilize its leadership in mobile advertising, massive user base, innovative culture, leading Gen AI research and potential distribution, and technological scale to perform, with further monetization opportunities ahead.

Shares of P&C insurance software vendor **Guidewire Software, Inc.** contributed to performance for the quarter. After a multi-year period, we believe the company's cloud transition has now successfully "crossed the chasm," as I have sometimes referred to the shift for software vendors from on-premises systems to cloud architectures. For the company's fiscal fourth quarter, Guidewire reported an acceleration in annual recurring revenue (ARR) growth to 14%, cloud subscription revenue growth of 37%, subscription gross margins that improved by over 1,000 basis points, and cash flow from operations that beat Street estimates by over $50 million ($192 million versus $142 million). We believe that cloud will be the sole path forward for Guidewire and its customers, with ARR benefiting from new customer wins and migrations of the existing customer base to InsuranceSuite Cloud. We are also encouraged that Guidewire is running well ahead of its 2025 mid-term margin targets and delivering the inflection in free cash flow generation that we long projected. We believe that Guidewire will be the critical software vendor for the $2 trillion 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 III.
Top detractors from performance for the quarter ended September 30, 2024

	Contribution to Return (%)
indie Semiconductor, Inc.	-0.70
Microsoft Corporation	-0.58
Mobileye Global Inc.	-0.40
CrowdStrike Holdings, Inc.	-0.39
NVIDIA Corporation	-0.36

Indie Semiconductor, Inc. is a fabless designer, developer, and marketer of automotive semiconductors for advanced driver assistance systems (ADAS) and connected car, user experience, and electrification applications. Indie's stock fell during the quarter as it guided 2024 revenue growth below Street expectations, as auto production is expected to be incrementally worse, and excess inventory in the automotive supply chains of its customers has delayed indie's new chips from ramping into high-volume programs. Despite these near-term headwinds, indie is outperforming peers who are seeing significant year-over-year sales declines. It has not suffered a program cancellation for any intact car programs, and it continues to win new sockets in future car platforms, positioning the company for strong growth over the medium and long term, supported by its $6.3 billion design win backlog, of which $4.6 billion is in ADAS applications. Indie has several large-volume programs set to ramp beginning in early 2025, including a marquee radar-related win, the biggest program in the company's history, which we believe will drive a return to outsized growth in 2025 (indie doubled revenue each year from 2021 through 2023). We believe indie can continue to significantly outpace the broader industry and will approach $1 billion in revenue by the end of this decade, all supported by its contracted visibility, and its stock will re-rate as rapid growth returns.

Microsoft Corporation is the world's largest software and cloud computing company. Microsoft was traditionally known for its Windows and Office products, but over the last five years it has built a $147 billion run-rate cloud business, including its Azure cloud infrastructure service and its Office 365 and Dynamics 365 cloud-delivered applications. Shares gave back some gains from strong performance over the first half of this year. For the fourth quarter of fiscal year 2024, Microsoft reported a strong quarter with total revenue growing 16%, in line with the Street; Microsoft Cloud up 22%; Azure up 30%; 43% operating income margins; and 36% free cash flow margins. Core Azure growth came in one point shy of expectations, however, due to a soft European market and continued constraints on AI compute capacity. In the same vein, while Microsoft reiterated its fiscal 2025 targets of double-digit top-line and operating income growth, quarterly guidance called for Azure growth to slow a bit before accelerating in the back half of the fiscal year, as capital expenditures increase, yielding an expansion of AI compute capacity. We believe this investment is a leading indicator for growth, with more than half of the spend related to durable land and data center build outs, which should monetize over the next 15-plus years. We remain confident that Microsoft is one of the best-positioned companies across the overlapping software, cloud computing, and AI landscapes, and we remain investors.

Shares of **Mobileye Global Inc.**, a provider of ADAS and autonomous driving technologies for the automotive industry, detracted from performance. Excess inventory among key customers proved to be a headwind to growth earlier in the year. Mobileye also experienced a significant decline in market share in China as local original equipment manufacturers shifted to domestic suppliers and in-house technology. Although this was an embedded risk, it materialized faster than expected and included market share losses at key customers. While we maintain our belief in the size and strategic importance of the autonomous vehicle market (see Tesla above), we decided to exit our Mobileye position during the quarter and book a tax loss.

Crowdstrike Holdings is a leading software company focused on the cyber security market. The company's products help organizations prevent malicious actors from gaining access to, attacking, and shutting down a company's hardware systems, applications, and databases. Following a well-publicized and disruptive global outage in July – tied to a software glitch in connection with CrowdStrike's configuration update for Microsoft operating systems – shares fell sharply. Since this time, we have met with management three times, including three days at the company's recent user conference, speaking to over 50 customers, key partners, and new prospects. It is clear the company will see increased scrutiny on deals, including the implementation of a new incentive program offering customers short-term discounts, free products, and billing flexibility, which will negatively impact bookings, revenue, and cash flow over the near term. However, we came away from our diligence believing CrowdStrike can retain its premium brand and likely emerges stronger over the next year and beyond.

Portfolio Structure

Table IV.
Top 10 holdings as of September 30, 2024

	Quarter End Market Cap ($ billions)	Quarter End Investment Value ($ millions)	Percent of Net Assets (%)
Microsoft Corporation	2017	165.4	12.2
NVIDIA Corporation	2018	156.4	11.5
Amazon.com, Inc.	2014	90.5	6.7
Meta Platforms, Inc.	2022	70.4	5.2
Apple Inc.	2024	63.1	4.7
Broadcom Inc.	2024	62.1	4.6
Tesla, Inc.	2014	61.5	4.5
Space Exploration Technologies Corp.	2020	36.1	2.7
Gartner, Inc.	2007	35.3	2.6
argenx SE	2017	35.1	2.6

We invest in secular growth and innovative businesses across all market capitalizations, with the bulk of the portfolio landing in the large-cap zone. Morningstar categorizes the Fund as U.S. Large Growth. As of the end of the third quarter, the largest market cap holding in the Fund was $3.5 trillion and the smallest was $500 million. The median market cap of the Fund was $41.5 billion, and the weighted average market cap was $1.3 trillion.

To end the quarter, the Fund had $1.4 billion of assets under management. We had investments in 43 unique companies. The Fund's top 10 positions accounted for 57.2% of net assets.

Recent Activity

Table V.
Top net purchases for the quarter ended September 30, 2024

	Quarter End Market Cap ($ billions)	Net Amount Purchased ($ millions)
Broadcom Inc.	805.7	14.2
Atlassian Corporation Plc	41.5	12.2
Duolingo, Inc.	12.3	11.1
GDS Holdings Limited	4.0	10.0
PAR Technology Corporation	1.9	7.9

We continued to build our position in **Broadcom Inc.**, a global technology leader that designs, develops, and supplies a broad range of semiconductor and infrastructure software solutions.[1] As AI continues to proliferate, we believe hyperscalers – such as Meta, Microsoft Azure, Google Cloud Compute, and Amazon Web Services, to name just a few – will increasingly deploy custom accelerator chips for their AI workloads as they can be more cost-effective and energy-efficient than using NVIDIA's general-purpose GPUs. Broadcom has a leading position partnering with hyperscalers to develop these custom chips, with its AI customer accelerator business up 3.5-times year-over-year in its most recently reported quarter, and a goal of at least $8 billion in custom accelerator revenues for this fiscal year. Additionally, VMware continues to perform better than expected as Broadcom is implementing its product simplification and subscription revenue model strategy. Further, its non-AI related semiconductor business, which tends to be more cyclical, is in the early stages of a recovery. Combined, all these factors will drive strong revenue and earnings growth over the next several years.

Atlassian Corporation Plc is leading software company focused on the collaboration and productivity markets. The company initially focused on serving software engineers (over 20 million worldwide), but its newer products, features, and use cases address a much larger set of users, including business teams (IT, marketing, project management, and human resources) engaged in product development (over 100 million worldwide) and the much broader group of knowledge workers (over 1 billion globally). The company recently completed a complex three-year migration of its on-premises customers to the cloud. While the complexity of this migration process weighed on shares (down about 50% since 2022), we believe the company is now better positioned to cross-sell new products and expand usage in the existing customer base. We recently met with several senior executives at the company's offices across multiple cities and attended Atlassian's annual user conference. At the latter we spoke with dozens of customers and partners and observed a notable improvement in the company's innovation cadence and customer receptivity to these new innovations versus last year's conference, including: (i) enhancements to Jira Service Management that simplifies incident management (identifying and remediating customer IT service issues); (ii) Jira Product Discover, that helps teams organize and prioritize projects that align with corporate goals; (iii) new AI capabilities enabling the use of natural language queries to quickly access reliable and relevant information about your organization and tasks; and (iv) Rovo, a search tool that helps teams find information across different applications, learn and iterate on knowledge work, and act faster with virtual agents. While the macro backdrop and related IT budget environment remains fluid, we have greater confidence that growth is bottoming, the company is delivering more products it can sell, and that growth is poised to reaccelerate driving free cash flow margins to expand. Given our increased conviction in their guidance and mid-term targets, and the dislocated valuation (revenue multiple is trending near a 10-year low), we initiated a position in the stock during the quarter.

Duolingo, Inc. is the world's leading language learning app with over 100 million monthly active users, known for its effective gamification and high engagement. After monitoring the company over the past year and a half, we developed conviction to buy the stock for a few reasons. The company has maintained premium levels of user growth (daily average user growth of over 50%) and revenue growth (40%-plus), executed well against their product roadmap, gained early traction with new functionality, and maintained impressive 40%-plus incremental margins. We view the founder-led management team as best in class, technically capable (CEO and CTO both earned PhDs in machine learning from Carnegie Mellon University), and product focused. We initiated a position in the quarter as the share price fell to what we deemed attractive levels from a long-term valuation perspective, coupled with material catalysts on the horizon, particularly the broader launch of AI functionality (branded "Max") that enables users to have real-time conversations with AI based characters and a substantial improvement of the company's Advanced English offering. We believe that these two initiatives take Duolingo from more of a hobby app to a company that can address the broader market of 1.8 billion people learning English today. As these products roll-out in the coming quarters, we believe their adoption should drive the realization of higher pricing, faster revenue growth, lower churn, and continued margin improvement. We also believe there is additional optionality in newer products such as math and music, which are earlier in their product evolution.

In the most recent quarter, we re-initiated a position in **GDS Holdings Limited**. GDS is a pan-Asia data center operator with 1.5 gigawatts of power capacity across approximately 100 data centers in and around "tier one" cities in mainland China (GDS Holdings or GDSH), as well as 1.0 gigawatts of power capacity in its rapidly growing Asia ex-China business (GDS International or GDSI). GDS develops and leases data center space (on a power reservation basis) to the top global technology companies such as Alibaba, Tecent, ByteDance, Microsoft, Google, and Oracle under long-term, contracted arrangements. We recently met with CEO/founder William Huang and CFO Daniel Newman in our offices and believe the best days for the company are ahead of it due to durable secular tailwinds in cloud adoption (early innings in Asia, which are lagging the U.S. and rest of the world), continued growth in data, increasing demand from AI applications, and global constraints on power availability yielding sustained pricing power in light of low available supply amid continued strong demand. On a sum-of-the-parts basis, we see a path for the business to be worth $45 to $55 per share in two to three years versus approximately $20 at recent market price. For GDSI, based largely on contracted customer commitments, we see cash flow growing from less than $50 million today to over $500 million over the next three years, with the opportunity to ramp towards $1 billion a few years after that. We value GDSI at $15 per share over the near term and $25 per share over the next four to five years. Regarding GDSH, we believe the mainland China data center business is at the doorstep of a growth inflection and see cash flow growing from about $700 million today to $1 billion over the next three years based on lease-up of its available power capacity. We value GDSH at $30 to $40 per share over the near term and remain encouraged that there will be several catalysts to further enhance value (including a structure to place certain stabilized data center assets into a listed REIT vehicle).

[1] Please see our first quarter 2024 letter for our initial write-up of Broadcom.

During the quarter we purchased shares of **PAR Technology Corporation**, a leading software, hardware, and service provider to the foodservice industry. The restaurant industry has historically underinvested in technology, and PAR is building an all-in-one software platform for enterprise restaurants to run the most critical portions of their technology stacks. Within the past year, PAR completed the final steps of its multi-year organic and inorganic product journey championed by CEO Savneet Singh, selling off its non-core legacy government services business and acquiring online ordering, international, and convenience-store related products to complement its existing point-of-sale, loyalty, back office, and payments processing products. We believe PAR will grow its software revenues over 20% per year for the next several years, driven by wins with new restaurant brands and cross-sell of its product portfolio to existing customers, and faces benign competition in the industry, with legacy providers offering less-modern products and more modern competitors having limited success and track records with enterprise restaurant chains (over 50 locations). We project the company will report its first quarter of adjusted EBITDA profitability in the third quarter of 2024 and expect it to deliver strong operating leverage from revenue growth going forward. As PAR scales into vertical software-like margins in the coming years, driving a ramp in bottom line profitability and cash flow, we believe the stock should appreciate meaningfully.

Table VI.
Top net sales for the quarter ended September 30, 2024

	Quarter End Market Cap or Market Cap When Sold ($ billions)	Net Amount Sold ($ millions)
Microsoft Corporation	3,198.4	18.6
NVIDIA Corporation	2,978.9	17.5
Advanced Micro Devices, Inc.	265.6	15.6
Marvell Technology, Inc.	55.4	11.4
Lam Research Corporation	95.3	7.7

Given the stellar returns of their stocks over the last couple of years, particularly **NVIDIA Corporation**, and the weights they grew to in the portfolio, we trimmed NVIDIA and **Microsoft Corporation** during the period. As we articulated above, our views regarding AI and the leadership of these two companies have not changed. On an absolute basis, NVIDIA and Microsoft remain the top two positions in the portfolio – as of this writing NVIDIA is our largest position and Microsoft is second – and both remain material overweights versus the Benchmark.

In the semiconductor space, we also trimmed **Advanced Micro Devices, Inc.** and exited **Marvell Technology, Inc.** and **Lam Research Corporation**. We shifted some of the capital from these sales and the NVIDIA trim to increase our weight in Broadcom, with the aim of owning meaningful positions in the leading general-purpose AI accelerator manufacturer, NVIDIA, and the leading customer accelerator partner to the hyperscalers, Broadcom. We also made slight adds to **Taiwan Semiconductor Manufacturing Company Limited** and **ASML Holding N.V.**, when they traded down amidst the volatility of the period.

In the software space, we shifted capital from our Microsoft trim into several non-mega names, including **Atlassian Corporation Plc**, **PAR Technology Corporation**, **Cloudflare, Inc.**, **Cadence Design Systems, Inc.**, **GitLab Inc.**, **HubSpot, Inc.**, and **Samsara Inc.**, as listed above and described herein.

I remain confident in and committed to the strategy of the Fund: durable growth based on powerful, long-term, innovation-driven secular growth trends. We continue to believe that non-cyclical, durable, and resilient growth should be part of investors' portfolios and that our strategy will deliver solid long-term returns for our shareholders.

Sincerely,

Michael A. Lippert
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: Securities issued by small and medium sized companies may be thinly traded and may be more difficult to sell during market downturns. Companies propelled by innovation, including technology advances and new business models, may present the risk of rapid change and product obsolescence, and their success may be difficult to predict for the long term. Even though the Fund is diversified, it may establish significant positions where the Adviser has the greatest conviction. This could increase volatility of the Fund's returns.

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 Opportunity 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 Yield is a financial solvency ratio that compares the free cash flow per share a company is expected to earn against its market value per share.

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).

Dear Baron Partners Fund Shareholder:

Performance

Baron Partners Fund® (the Fund) performed well in the third quarter, gaining 13.94% (Institutional Shares). This result significantly exceeded its benchmark, the Russell Midcap Growth Index (the Index), and the large-cap dominated Russell 3000 Index (the Market Index), which gained 6.54% and 6.23%, respectively.

Year to date, the Fund is now in positive territory, gaining 4.74%. While this return is reasonable in most nine-month periods, it does meaningfully trail both the Index and Market Index's returns.

The Fund's performance has stagnated over the prior three years, with an average annual return of 1.14%. However, the longer-term results remain excellent, with the Fund ranking in either the first or second percentile for its Morningstar category in each of the 5-, 10-, and 15-year periods.* Since its conversion to a mutual fund in 2003, the Fund's annualized return of 16.54% is the top in its category and exceeds its Index's return by 5.43%.

While we are very pleased with these long-term results, we are disappointed, although not alarmed, by the recent 3-year performance. The low turnover strategy implemented by the Fund has previously resulted in similar stretches. However, we have not only endured analogous periods throughout the Fund's history, but also have typically emerged with strong absolute and relative performance in subsequent years. Although we offer no guarantee of continued success, we believe this trend will continue.

While we present the Fund's absolute and relative returns over the SEC mandated periods, we believe it is also important to discuss how the Fund performed over the course of different market environments. The prior nearly two years have been exceedingly difficult for our style of investing, as long-term owners of quality growth businesses. This strategy typically holds a balanced portfolio of distinct types of quality growth businesses. Many investments were purchased when they were mid-cap companies that we believed would have the potential to become significantly larger over time. The U.S. economy has been challenged since the start of 2023. There have been high interest rates, high inflation, global unrest, and military conflicts. That macro backdrop had been harsh for the businesses held in the Fund. Customers at many service businesses had retreated causing revenue growth to moderate. Suppliers had increased prices causing margins to be pressured. Higher interest rates had increased financing costs and raised the discount on future earnings. Investors gravitated towards mega-cap companies with AI opportunities. These businesses are largely not held in the Fund.

MICHAEL BARON
CO-PRESIDENT AND
PORTFOLIO MANAGER

RONALD BARON
CEO AND
PORTFOLIO MANAGER

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

We believe these phenomena are temporary and we are beginning to see signs of a more typical macro environment that is favorable towards our investment style. Inflation appears to have moderated. Interest rates were cut by 50 basis points, and the U.S. Federal Reserve Chair has indicated steady cuts will persist. The soft landing the government is attempting to orchestrate may just occur.

As a result, we believe that company fundamentals and opportunities will again drive stock prices rather than macro concerns and a singular mega trend. In the current period, we had large gains from a diverse set of companies. And only select companies declined in value due to company-specific results. Out of the Fund's 21 holdings, only 2 public companies (**The Charles Schwab Corporation** and **Birkenstock Holding plc**) declined by

As of 9/30/2024, Morningstar Large Growth Category consisted of 1,141, 1,005, and 788 share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Partners Fund in the 100th, 1st, 1st, and 1st percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund converted into a mutual fund 4/30/2003, and the category consisted of 708 share classes. On an absolute basis, Morningstar ranked Baron Partners Fund Institutional Share Class as the 1,140th, 992nd, 1st, 2nd, and 1st best performing share class in its Category, for the 1-, 3-, 5-, 10-year, and since conversion periods, respectively.

* As of 9/30/2024, the annualized returns of the Morningstar Large Growth Category average were 38.83%, 16.08%, 13.73%, and 14.22% for the 1-, 5-, 10, and 15-year periods, respectively.

Morningstar calculates the Morningstar Large Growth Category Average performance and rankings using its Fractional Weighting methodology. Morningstar rankings are based on total returns and do not include sales charges. Total returns do account for management, administrative, and 12b-1 fees and other costs automatically deducted from fund assets.

more than 5%. On the other hand, 10 companies rose by more than 10% in the quarter. And this group of contributors excludes **Space Exploration Technologies Corp.** (SpaceX), the Fund's second largest holding. SpaceX did not conduct a stock transaction in the current quarter and therefore its valuation remained constant. However, the company has continued to execute and grown the number of launches, satellites, and subscribers and made improvements on reusability.

The Fund's largest holding, **Tesla, Inc.**, appreciated 32% in the quarter. Investors are again looking at the company's potential rather than the near-term impact of the current macro environment. Investors have become comfortable that the previous periods' vehicle delivery shortfalls were the result of affordability (financing related) rather than desirability. Purchases improved in the quarter as the Chinese economy improved. Investors have increased confidence that new model introductions next year will again spur a meaningful increase in units. We do not believe other traditional original equipment manufacturers (that have historically made only internal combustion engines) can compete with the functionality and price of the upcoming models. Additionally, this dynamic company has remarkably improved on new services and products related to autonomous driving, robotics, and energy storage. We remain very optimistic about the future for Tesla.

But as mentioned, it was not only the **Disruptive Growth** companies that contributed to performance. The Fund had significant gains amongst many of its **Financials** businesses. **MSCI Inc.**, **Arch Capital Group Ltd.**, and **FactSet Research Systems Inc.** all had double-digit gains in the quarter. The largest gain in this group came from the financial technology company MSCI, which increased more than 21%. After a restrictive macro environment, the company is beginning to see its products resonate with prospective clients. Pent-up demand for new products has led to increased new contracts and lower cancellations.

The two companies that moderately stumbled, Schwab and Birkenstock, are going through a transition that we believe will be successful. We believe Schwab had been too aggressive during COVID-19's (COVID) extraordinarily low-rate environment. Believing the rapid increase in client cash during the pandemic would be retained, the company purchased long-dated bonds. The subsequent swift rise in rates and clients seeking higher yielding alternatives caused Schwab to increase its short-term borrowings to meet client needs. Net interest margin was pressured. Today, the company is unwinding these borrowings. It has been a slower process than anticipated with clients having lower idle cash levels. But organic asset growth has continued, and we believe the net interest margin will eventually rebound to more normalized levels. The timing, however, may be slightly extended beyond previously stated expectations.

Table I.
Performance
Annualized for periods ended September 30, 2024

	Baron Partners Fund Retail Shares[1,2,3]	Baron Partners Fund Institutional Shares[1,2,3,4]	Russell Midcap Growth Index[2]	Russell 3000 Index[2]
Three Months[5]	13.86%	13.94%	6.54%	6.23%
Nine Months[5]	4.54%	4.74%	12.91%	20.63%
One Year	13.25%	13.53%	29.33%	35.19%
Three Years	0.88%	1.14%	2.32%	10.29%
Five Years	26.98%	27.31%	11.48%	15.26%
Ten Years	18.78%	19.09%	11.30%	12.83%
Fifteen Years	18.71%	19.02%	13.21%	13.80%
Since Conversion (April 30, 2003)	16.32%	16.54%	11.11%	11.59%
Since Inception (January 31, 1992)	14.81%	14.96%	10.08%	10.49%

Performance listed in the above table is net of annual operating expenses. Annual expense ratio for the Retail Shares as of December 31, 2023 was 2.24% (comprised of operating expenses of 1.30% and interest expense of 0.94%) and Institutional Shares was 1.99% (comprised of operating expenses of 1.04% and interest expense of 0.95%). 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 may waive or reimburse certain Fund expenses pursuant to a contract expiring on August 29, 2035, 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 BaronCapitalGroup.com or call 1-800-99-BARON.

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 **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 Midcap® 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.

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.

Birkenstock continues to have very strong demand for its footwear products. Units sold and the average retail selling price have both increased. However, revenue slightly missed investors' expectations. Consumers have shifted their shopping preference to physical locations rather than online. Birkenstock has a minimal owned store presence in the U.S., which is its largest market, and relies heavily on wholesale partners. The increase in wholesale distribution resulted in lower-than-anticipated gross profit. However, the company is making inroads in opening new stores in the U.S. that have historically had high returns on investment. We are pleased with the high demand and ability to take market share in the wholesale channel. And we believe more stores will meaningfully improve profitability in the future.

We remain pleased with the portfolio's composition and the execution of the businesses held. A more normalized macro environment, in our opinion, should be beneficial for the Fund.

Table II.

Total returns by category for the three months ended September 30, 2024

	Percent of Total Investments (%)	Total Return (%)	Contribution to Return (%)
Disruptive Growth	**46.6**	**21.67**	**10.79**
Tesla, Inc.	33.4	32.02	10.55
Spotify Technology S.A.	1.1	17.42	0.21
Iridium Communications Inc.	0.7	14.99	0.11
Space Exploration Technologies Corp.	11.1	–	–
X Holding Corp.	0.2	–	–
Northvolt AB	0.0	–66.40	–0.07
Financials	**19.6**	**6.89**	**1.84**
MSCI Inc.	2.0	21.35	0.44
FactSet Research Systems Inc.	4.2	12.85	0.63
Arch Capital Group Ltd.	9.6	10.89	1.37
The Charles Schwab Corporation	3.8	–11.69	–0.59
Core Growth	**21.1**	**6.83**	**1.82**
Guidewire Software, Inc.	2.2	32.67	0.69
HEICO Corporation	0.8	16.08	0.14
Gartner, Inc.	4.6	12.86	0.68
StubHub Holdings, Inc.	0.7	4.19	0.05
IDEXX Laboratories, Inc.	4.5	3.70	0.23
CoStar Group, Inc.	7.3	1.78	0.19
Birkenstock Holding plc	1.1	–9.41	–0.16
Russell Midcap Growth Index		**6.54**	
Real-Irreplaceable Assets	**12.8**	**0.62**	**0.04**
Gaming and Leisure Properties, Inc.	1.2	15.49	0.21
Hyatt Hotels Corporation	6.8	0.29	–0.02
Red Rock Resorts, Inc.	1.4	–0.43	–0.02
Vail Resorts, Inc.	3.4	–3.08	–0.14
Fees		**–0.59**	**–0.59**
Total	**100.0***	**13.91****	**13.91****

Sources: FactSet PA, Baron Capital, 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, 2024

	Year Acquired	Market Cap When Acquired ($ billions)	Quarter End Market Cap ($ billions)	Total Return (%)	Contribution to Return (%)
Tesla, Inc.	2014	21.9	835.8	32.02	10.55
Arch Capital Group Ltd.	2002	0.6	42.1	10.89	1.37
Guidewire Software, Inc.	2017	6.0	15.2	32.67	0.69
Gartner, Inc.	2013	5.7	39.1	12.86	0.68
FactSet Research Systems Inc.	2007	2.7	17.5	12.85	0.63

Tesla, Inc. designs, manufactures, and sells fully electric vehicles, related software and components, and solar and energy storage products. The stock contributed because of accelerated growth in the energy unit, growing expectations that Tesla will soon launch new vehicle models, and increasing investor confidence in its potentially lucrative AI initiatives. Despite macroeconomic challenges, delivery data in major markets like China showed improvement in the quarter, while declining interest rates could enhance demand and profitability in the coming quarters. Tesla has also launched operations at its advanced computing center in Texas, rolled out improved version of its software-enhanced driving solution, and announced plans to provide an important update on its AI projects in early October. These investments and product releases are enhancing Tesla's leadership position in real world AI and investor confidence that Tesla will benefit from these large and attractive growth opportunities.

Specialty insurer **Arch Capital Group Ltd.** contributed to performance after reporting financial results that exceeded expectations. Operating return on equity was 20%, and book value per share rose 42% due to strong underwriting profitability and the establishment of a deferred tax asset at the end of last year. Shares likely benefited as well from a less active hurricane season and a market rotation away from banks during risk-off conditions in August. 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 property and casualty (P&C) insurance software vendor **Guidewire Software, Inc.** advanced after subscription gross margins improved by more than 1,000 basis points in its most recently reported quarter. After a multi-year transition period, we believe the company's cloud transition is substantially over. We believe cloud will be the sole path forward, with annual recurring revenue (ARR) benefiting from new customer wins and migration of the existing customer base to InsuranceSuite Cloud. We also expect Guidewire to shift R&D resources to product development from infrastructure investment, which should help drive cross-sales into its sticky installed base and potentially accelerate ARR over time. 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, 2024

	Year Acquired	Market Cap When Acquired ($ billions)	Quarter End Market Cap ($ billions)	Total Return (%)	Contribution to Return (%)
The Charles Schwab Corporation	1992	1.0	118.6	–11.69	–0.59
Birkenstock Holding plc	2023	7.6	9.3	–9.41	–0.16
Vail Resorts, Inc.	2008	1.6	6.5	–3.08	–0.14
Northvolt AB	2021	11.7	2.2	–66.40	–0.07
Hyatt Hotels Corporation	2009	4.2	15.0	0.29	–0.02

The Charles Schwab Corporation detracted from performance following a weak second quarter update. The broker-dealer generates significant earnings from net interest income on idle client cash. Clients have been moving cash into higher-yielding money market funds, forcing Schwab to utilize external sources of funding to support its balance sheet. Although this funding, which is more costly than other liabilities on the balance sheet, is intended to be temporary, the company made little progress in reducing its reliance on it, which disappointed the market. While the timing of earnings growth has been pushed out, we think Schwab will eventually pay down these funds and enter an earnings growth phase as its normal earnings algorithm comes to the fore.

Birkenstock Holding plc is a global footwear brand that has been making its distinctive style of sandals since 1774. Shares fell on a slight miss in quarterly revenue due to a demand mix shift away from the direct-to-consumer channel, which grew only 14%, and into the wholesale channel, which expanded 23%. The change was the result of a shift in consumer preference toward in-person shopping, prompting them to purchase shoes from Birkenstock's wholesale partners due to the company's limited retail presence of just 64 stores. We remain investors. Broad-based quarterly revenue growth of 19% pointed to continued strong demand across different product lines and geographies with high levels of full price sell through, as well as market share gains. We see a long growth runway for Birkenstock, supported by retail, geographic, and category expansion.

Global ski resort company **Vail Resorts, Inc.** detracted from performance, as a result of a drop in the number of season passes sold and the normalization of the ski industry following the post-pandemic surge of visitors. We remain investors. With a captive high-end consumer base who is willing to pay a premium for its services, Vail enjoys significant pricing power. It plans to cut $100 million in costs over the next two years by leveraging synergies within the business, which should result in improved margins. The company uses its strong balance sheet and robust cash flow to invest in its resorts and cover its dividend, and it recently increased its share buyback program. We think shares are attractive at current valuations.

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 no more than 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 sustainable competitive advantages and strong, long-term growth opportunities. We use leverage to enhance returns, which increases the Fund's volatility.

As of September 30, 2024, we held 21 investments. The median market capitalization of these growth companies was $18.5 billion. The top 10 positions represented 88.6% of total investments. Leverage was 15.2%.

The long-term absolute and relative performance of the Fund has been very good. The Fund has returned 16.54% annualized since conversion to a mutual fund on April 30, 2003, exceeding the Index by 5.43% per year.

The Fund's performance has also exceeded the Index over the prior 5-, 10-, and 15-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 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 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 Index's 16.84%. The Market Index had an annual return of 14.70% during that time.

Table V.
Performance in Good Times: Outpacing the Index

	Fund's Inception to Internet Bubble 1/31/1992 to 12/31/1999		Post-Financial Panic to COVID Pandemic 12/31/2008 to 12/31/2019	
	Annualized Return (%)	Value $10,000	Annualized Return (%)	Value $10,000
Baron Partners Fund (Institutional Shares)	22.45	49,685	17.44	58,586
Russell Midcap Growth Index	19.26	40,316	16.84	55,380
Russell 3000 Index	19.29	40,402	14.70	45,195

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 retained value in challenging times…

We believe what especially 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 Index declined substantially. A $10,000 hypothetical investment 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 a fund designed to track the Index 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 could weather the environment and enhance their competitive positioning.

The COVID pandemic and its lingering macroeconomic issues have caused excessive market volatility. Over the course of three years, there were two sizable market corrections during which most major indexes fell more than 25%. But the Fund has performed admirably in both protecting and growing clients' capital. During the COVID pandemic and its aftermath (12/31/2019 to 12/31/2022), the Fund had an annualized return of 23.65%. The Index's annualized return was significantly lower at 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		Performance in All Times Since Inception (1/31/1992) through 9/30/2024	
	Annualized Return (%)	Value of $10,000	Annualized Return (%)	Value of $10,000	Annualized Return (%)	Value of $10,000
Baron Partners Fund (Institutional Shares)	1.54	11,479	23.65	18,903	14.96	949,135
Russell Midcap Growth Index	(4.69)	6,488	3.85	11,200	10.08	230,564
Russell 3000 Index	(2.95)	7,634	7.07	12,273	10.49	259,960

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.

Since the COVID pandemic and subsequent market downturn ended, the Fund has performed well on an absolute basis. However, its relative returns are more mixed. While the Fund has exceeded the Index's returns, it has trailed the Market Index. As discussed in prior sections of this letter, we believe the Fund's holdings are poised to perform well again on both an absolute and relative basis. Since December 31, 2022, the Fund has an annualized return of 26.20% compared to the Index's annualized return of 22.24%.

Over the longer term, positive returns in difficult environments and better than market returns in good times have been rewarding for clients. A $10,000 hypothetical investment at the inception of the Fund on January 31, 1992, would have been worth $949,135 on September 30, 2024. That same $10,000 hypothetical investment in a fund designed to track the Index would now be worth $230,564, only approximately 24% of what it would have been worth if invested in the Fund.

Portfolio Holdings

Table VII.
Top 10 holdings as of September 30, 2024

	Year Acquired	Market Cap When Acquired ($ billions)	Quarter End Market Cap ($ billions)	Percent of Total Investments (%)
Tesla, Inc.	2014	21.6	835.8	33.4
Space Exploration Technologies Corp.	2017	0.8	210.2	11.1
Arch Capital Group Ltd.	2002	0.6	42.1	9.6
CoStar Group, Inc.	2005	0.7	30.9	7.3
Hyatt Hotels Corporation	2009	4.2	15.0	6.8
Gartner, Inc.	2013	5.7	39.1	4.6
IDEXX Laboratories, Inc.	2013	4.7	41.6	4.5
FactSet Research Systems Inc.	2007	2.7	17.5	4.2
The Charles Schwab Corporation	1992	1.0	118.6	3.8
Vail Resorts, Inc.	2008	1.6	6.5	3.4

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 giving you the information we would want 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
Co-President and 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 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 33% 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.

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).

Dear Baron Fifth Avenue Growth Fund Shareholder:

Performance

Baron Fifth Avenue Growth Fund® (the Fund) gained 3.6% (Institutional Shares) during the third quarter, which compares to gains of 3.2% for the Russell 1000 Growth Index (R1KG) and 5.9% for the S&P 500 Index (SPX), the Fund's benchmarks.

Year-to-date, the Fund is up 23.3% compared to gains of 24.6% for the R1KG and 22.1% for the SPX.

Table I.
Performance†
Annualized for periods ended September 30, 2024

	Baron Fifth Avenue Growth Fund Retail Shares[1,2]	Baron Fifth Avenue Growth Fund Institutional Shares[1,2,3]	Russell 1000 Growth Index[1]	S&P 500 Index[1]
Three Months[4]	3.51%	3.57%	3.19%	5.89%
Nine Months[4]	23.06%	23.30%	24.55%	22.08%
One Year	44.65%	45.01%	42.19%	36.35%
Three Years	(1.31)%	(1.05)%	12.02%	11.91%
Five Years	11.36%	11.65%	19.74%	15.98%
Ten Years	12.57%	12.86%	16.52%	13.38%
Fifteen Years	13.19%	13.47%	16.52%	14.15%
Since Inception (April 30, 2004)	9.75%	9.96%	12.27%	10.56%

ALEX UMANSKY

PORTFOLIO MANAGER

Retail Shares: BFTHX
Institutional Shares: BFTIX
R6 Shares: BFTUX

For the first time since the market began its recovery in 2023, Index returns were NOT dominated by the *Magnificent Seven*, which contributed 81bps (or 25%) to the quarterly return while now accounting for 54% of the R1KG's weight. This compares to the Magnificent Seven accounting for 73% of the gains in the first half of the year, and 65% of the Index's total return in 2023 when their weight averaged approximately 44% of the R1KG. After signaling that the easing cycle was upon us, the Federal Reserve (the Fed) finally cut interest rates by 50bps in September which we think caused investors to start looking beyond the Magnificent Seven and resulted in increased participation and improved market breadth. More importantly, the majority of our companies continue to execute well with their stock performance driven more by growth in fundamentals rather than multiple expansion. We are focused on finding and investing in high quality Big Ideas, which we think of as companies that could become significantly larger in the future than they are today. We look for platform businesses that benefit from power law distribution and network effects that we believe will enable these businesses to sustain competitive advantages while benefiting from a long duration of growth – the N (number of years the business will likely grow) is more important to us than the G (growth rate). We believe the economic backdrop is finally turning and the recently expanding market breadth could become a tailwind for the style of investing that we tend to employ.

Performance listed in the table above is net of annual operating expenses. The gross annual expense ratio for the Retail and Institutional Shares as of September 30, 2023 was 1.06% and 0.78%, respectively, but the net annual expense ratio was 1.01% and 0.76% (net of the Adviser's fee waivers, comprised of operating expenses of 1.00% and 0.75%, respectively, and interest expense of 0.01% and 0.01%, respectively), 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 Adviser waives and/or reimburses certain Fund expenses pursuant to a contract expiring on August 29, 2035, 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 BaronCapitalGroup.com or call 1-800-99-BARON.

† The Fund's historical performance was impacted by gains from IPOs and there is no guarantee that these results can be repeated or that the Fund's level of participation in IPOs will be the same in the future.

1 The **Russell 1000® Growth Index** measures the performance of large-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 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 1000® 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. 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.

The Fund's 38bps of outperformance versus the R1KG in the quarter was driven by stock selection, which was responsible for 84bps while sector allocation was a 47bps headwind. From a sector attribution perspective, the Fund's best performing sectors, Health Care and Communication Services were responsible for 248bps of outperformance combined, driven by **argenx**, **Intuitive Surgical**, and **Meta**. Interestingly, Health Care and Communication Services were the two worst performing sectors in the R1KG in the quarter, due to underperformance of some of the largest pharmaceutical companies such as Eli Lilly or Merck (which we do not own), and **Alphabet** (which we are underweight). This outperformance was partially offset by underperformance in Information Technology (IT), which cost us 177bps. The sector was largely impacted by the performance of our software holdings, which detracted 133bps from relative performance due to double-digit declines from **CrowdStrike**, **Datadog**, **Snowflake**, and **Atlassian**. Apart from CrowdStrike, which became a household name for the wrong reasons (a faulty update caused a widespread crash), our other holdings reported solid results, leading to an increase in expectations for the year. Overall, our software holdings (including CrowdStrike) saw their expectations for 2024 revenues, operating income, and margins rise by 0.2%, 9.5%, and 0.5%, respectively[1]. While estimates went up, valuation multiples contracted due to continued macro uncertainty and investor concerns that IT budget pressures and reallocation to AI crowding out everything else, would cause headwinds for future growth. We are big believers in the world of AI; however, we also believe in the long duration of growth for these software businesses. We do not think they are mutually exclusive.

From a company specific and absolute perspective, we had 19 contributors, with 16 of our investments posting double-digit gains during the quarter. **Tesla**, argenx, **ServiceNow**, Intuitive Surgical, **Samsara**, and **Trade Desk** contributed at least 50bps each, while **Shopify**, Meta, and **MercadoLibre** added over 100bps each to absolute returns. This strong performance was partially offset by 14 detractors, with **ASML** and **Mobileye** costing the Fund over 50bps each, while CrowdStrike at 149bps was the one decliner to have cost us over 100bps.

We note that most of the quarterly declines were driven by multiple contraction and are therefore unlikely to result in permanent loss of capital. For example, the stock of the leading semiconductor equipment manufacturer, ASML, declined due to investor concerns over near-term order trends, which drove a 29% decline in the company's P/E multiple (on forward 12-month EPS based on FactSet consensus estimates). We remain more focused on the company's long-term competitive positioning and duration of growth. As a de-facto monopoly, ASML is the only provider of critical equipment for leading-edge semiconductor chip manufacturing, and it is the beneficiary of a number of secular tailwinds including electrification, digitization, AI, and growing chip complexity.

To better understand stock performance, we deconstructed returns into two components – the change in multiples and the change in fundamentals. We analyzed the change in the weighted average multiple of the Fund and the change in weighted average consensus expectations for 2024 (for revenues, operating income, and operating margins). During the third quarter, the multiple[2] contracted by 1.5% and is now up just 6.1% year-to-date – driven by our IT investments where the multiple contracted by 8%. Since the Fund was up 3.6%, the fundamentals of our businesses improved by approximately 5.1% during the quarter. Revenue expectations for 2024 increased by 1.7% (after increasing by 1.3% in the June quarter), operating income expectations increased by 7.3% (up 1.4% in the June quarter), and operating margin expectations increased by 65bps (up 5bps in the June quarter). Of course, multiples go up or down every year, depending on the macro environment, investor psychology, geopolitical situations, etc., and multiple expansion (or contraction) can have a disproportionate impact on the Fund's performance over the short term, as it did in 2022 when the Fund's multiple declined 53.1%. However, we are subscribers to Benjamin Graham's view that over the short term the market is a voting machine but over the long term it is a weighing machine. Since the recovery began in early 2023, the Fund has appreciated 102.5% with approximately 71.1% of that attributable to the improvement in fundamentals. We believe that stock prices can fluctuate, sometimes wildly, as a result of the changes in multiples investors are willing to pay based on current circumstances, but that over the long term they will almost always come to reflect the factual and quantifiable fundamentals that underline their businesses.

Table II.
Top contributors to performance for the quarter ended September 30, 2024

	Quarter End Market Cap ($ billions)	Contribution to Return (%)
Shopify Inc.	103.3	1.23
Meta Platforms, Inc.	1,448.3	1.13
MercadoLibre, Inc.	104.0	1.04
Tesla, Inc.	835.8	0.73
argenx SE	32.4	0.65

Shopify Inc. is a cloud-based software provider for multi-channel commerce. Shares rose 21.3% after reporting strong financial results with revenue growth of 25% year-on-year, accelerating from the prior quarter. Shopify's operating margins also outperformed, at 14.6%, or nearly 3% better than expected, alleviating investor concerns over an upcoming investment cycle. While the company continues gaining share in its core business, we are increasingly seeing data points that point to a successful expansion to new opportunities including international, B2B, and offline. Despite volatility in the pace of reinvestments and margin expansion, we remain shareholders due to Shopify's strong competitive positioning, innovative culture, and long runway for growth, as it still holds less than a 2% share of the global commerce market.

Shares of **Meta Platforms, Inc.**, the world's largest social network, were up 13.6% this quarter on impressive results with 22% year-over-year revenue growth and 38% operating margins (excluding investments on VR/AR, operating margins were 50%). Despite its size, Meta continues to find opportunities such as Instagram Reels to outgrow the broader digital advertising industry. Our industry checks have validated advertiser adoption and satisfaction, with particular improvements in monetizing Reels and

[1] Calculated based on consensus expectations for 2024 as collected by FactSet for revenues, EBIT, and EBIT margins, using weighted average positions as of the end of the quarter.

[2] We calculate the change in P/E multiple (based on FactSet consensus expectations for EPS for the next 12 months) for each holding between June 30, 2024 and September 30, 2024 as long as the starting P/E is less than 100 times. If it is greater than 100 times (or negative), we used an EV/Revenue multiple. For GDS specifically we applied an EV/EBITDA multiple. We then use the ending weights of each position in the Fund to calculate the weighted average change in the Fund's multiple.

click-to-message ads. Meta is a leading innovator in the use of generative AI (Gen AI), with a dedicated AI research lab and the best and most widely adopted open-source models to date (Llama), and its core apps are starting to incorporate Gen AI in the user experience. Longer term, we believe Meta will leverage its leadership in mobile advertising, massive user base, innovative culture, leading Gen AI research, distribution, and technological scale to sustain a long duration of growth, with additional monetization opportunities ahead.

Shares of **MercadoLibre, Inc.**, Latin America's leading e-commerce company, rose 24.9% in the quarter, driven by results that beat expectations. It reported 83% constant-currency year-over-year growth in gross merchandise value (GMV), 131% growth in commerce revenues, and 86% growth in total payments volume. Despite its dominant position, the company generated above-market GMV growth across its major Latin American markets and is increasingly outperforming its peers in e-commerce, particularly in Brazil thanks to its broad selection and differentiated logistics capabilities, which enable faster delivery times than peers. MercadoLibre has also benefited from product innovation in fintech and solid underwriting in the growing credit business, which we believe will drive margin expansion and earnings growth as e-commerce in the region continues maturing over the next decade.

Table III.
Top detractors from performance for the quarter ended September 30, 2024

	Quarter End Market Cap or Market Cap When Sold ($ billions)	Contribution to Return (%)
CrowdStrike Holdings, Inc.	68.8	–1.49
Mobileye Global Inc.	10.6	–0.80
ASML Holding N.V.	331.6	–0.64
Alphabet Inc.	2,049.7	–0.49
Amazon.com, Inc.	1,955.6	–0.42

CrowdStrike Holdings, Inc. is a leading cybersecurity software company. Following a long period of outsized gains, shares fell 29.5% in the quarter after a software glitch caused a global Microsoft outage in July. Despite the outage, the company delivered solid second quarter results that exceeded the high end of expectations across all key metrics. Management called out several delayed deals but noted that they remained in the pipeline and should close in coming quarters. Increased scrutiny and the implementation of new incentives, including discounts and free products and flexibility on billings, will likely negatively impact bookings and revenue growth over the near term. While the range of outcomes on the implications of the outage on customer retention and willingness to expand with CrowdStrike remains wider than usual, leading us to reduce our position, we believe that the fact that the incident was not due to a breach, the company's competitively advantaged product, its transparent and rapid response, and the new procedures it had put in place, should help it retain its customers and grow wallet share over time.

Shares of **Mobileye Global Inc.**, a leading provider of advanced driver-assistance systems and autonomous driving technologies for the automotive industry, declined 52.4% in the quarter. Excess inventory among key customers has been generating headwinds to growth. Mobileye also experienced a significant decline in market share in China as local original equipment manufacturers shifted to domestic suppliers and in-house technology. Although this was an embedded risk, it materialized faster than expected and included market share loss in key customers. While we believe the company would likely be able to overcome these recent challenges, we decided to harvest our losses while continuing to reassess the company's competitive positioning and their technological development as they work towards autonomy.

ASML Holding N.V. designs and manufactures photolithography equipment for semiconductor production. ASML is the leader across all types of lithography and the only company selling extreme ultra-violet lithography tools, which are critical for leading-edge chip manufacturing. The stock fell 18.4% during the quarter on investor concerns around potential 2025 results driven by Intel's capex cuts, sustainability of Chinese lithography demand, potential government restrictions on sales to China, and worries over slowing demand in the coming quarters. Despite near-term noise and uncertainty, ASML has a backlog covering the majority of expected revenues for 2025. More importantly, long-term demand outlook remains favorable as it is ultimately driven by the overall global demand for semiconductors regardless of the particular fab location (and so regulatory limitations applied to particular geographies should have limited long-term implications on overall demand). As a monopoly on critical lithography tools supporting an industry with growing demand fueled by the proliferation of AI, we see strong upside for ASML over the long term.

Portfolio Structure

The Fund is constructed on a bottom-up basis with the quality of ideas and level of conviction playing the most significant role in determining the size of each investment. Sector weights tend to be an outcome of the portfolio construction process and are not meant to indicate a positive or a negative view.

As of September 30, 2024, the top 10 holdings represented 61.1% of the Fund's net assets, and the top 20 represented 85.0%. The total number of investments in the portfolio was 31 at the end of the third quarter, unchanged from the prior quarter.

IT, Consumer Discretionary, Communication Services, Health Care, and Financials made up 96.1% of net assets. The remaining 3.9% was made up of SpaceX and GM Cruise, our two private investments classified as Industrials, and cash.

Table IV.
Top 10 holdings as of September 30, 2024

	Quarter End Market Cap ($ billions)	Quarter End Investment Value ($ millions)	Percent of Net Assets (%)
NVIDIA Corporation	2,978.9	68.3	10.7
Amazon.com, Inc.	1,955.6	53.6	8.4
Meta Platforms, Inc.	1,448.3	52.0	8.2
Shopify Inc.	103.3	37.8	5.9
Intuitive Surgical, Inc.	174.6	36.7	5.8
ServiceNow, Inc.	184.2	32.7	5.1
Microsoft Corporation	3,198.4	29.5	4.6
The Trade Desk	54.0	28.8	4.5
MercadoLibre, Inc.	104.0	28.4	4.5
Tesla, Inc.	835.8	21.1	3.3

Recent Activity

During the third quarter, we initiated 3 new investments: the leading semiconductor foundry, **Taiwan Semiconductor**; an alternative asset manager, **KKR**; and a cloud software solution provider for physical assets, **Samsara**. We also added to 4 existing positions: the merchant and banking solutions provider, **Block**; the payments leader, **Adyen**; the Connected TV advertising buy-side platform, **Trade Desk**; and the software megacap, **Microsoft**. We funded those purchases by reducing 11 existing positions where we saw a less favorable long-term risk/reward equation and by exiting our positions in **Rivian**, **Endava**, and **Mobileye**.

Table V.
Top net purchases for the quarter ended September 30, 2024

	Quarter End Market Cap ($ billions)	Net Amount Purchased ($ millions)
Taiwan Semiconductor Manufacturing Company Limited	900.7	14.7
KKR & Co. Inc.	115.9	11.5
Samsara Inc.	26.8	9.5
Block, Inc.	41.3	2.1
Adyen N.V.	48.5	1.8

We initiated a new position in **Taiwan Semiconductor Manufacturing Company Limited** (TSMC). Morris Chang founded TSMC in 1987 as the world's first dedicated semiconductor foundry. Until then, semiconductor chips were always designed and manufactured by the same company. TSMC introduced a groundbreaking new business model, in which it acted purely as a contract manufacturer, which proved to be highly successful. TSMC maintained a focus on improving its manufacturing process technology and enabled the emergence of innovative fabless design companies, including NVIDIA, Apple, and Qualcomm, who became TSMC's key customers. While many other foundry competitors emerged over the years, TSMC has outcompeted them with superior execution, operating efficiency, and customer service. Today, TSMC has a more than 60% share of the total semiconductor foundry market and over 90% share in leading edge semiconductor manufacturing. TSMC enjoys high barriers to entry given the ever-increasing cost and technological complexity of semiconductor manufacturing, while customer relationships are becoming increasingly sticky.

We expect TSMC to continue to benefit from the virtuous cycle of its scale advantage – higher profits leading to higher R&D and capex investments, allowing for further technological differentiation, resulting in more profits. We believe TSMC will sustain strong double-digit earnings growth for years to come, driven by continued market share gains, strong pricing power, and structural growth in AI demand. According to C.C. Wei, TSMC's CEO[3], *"almost all the AI innovators are working with TSMC to address the insatiable AI-related demand for energy-efficient computing."* Management forecasts that revenue from server AI chips, such as GPUs and other AI accelerators, will grow at a 50% CAGR from 2022 to 2028 and account for over 20% of TSMC's revenue by 2028. We except further long-term upside from the eventual proliferation of edge AI devices, including AI smartphones and AI PCs, which will require significantly more computing power and drive even stronger demand for TSMC's leading-edge technology.

During the quarter, we also initiated a new position in **KKR & Co. Inc.**, one of the largest alternative asset managers in the world with $601 billion of assets under management (AUM). We believe alternative asset management is one of the best secular growth areas of financial services, and KKR should be a prime beneficiary. Founded in 1976 as one of the earliest leveraged buyout firms, KKR was led for decades by co-founders Henry Kravis and George Roberts. Since going public in 2010 as a pure-play private equity (PE) firm, KKR has successfully diversified into other private asset classes, including private credit, real estate, and infrastructure investing. AUM has risen nearly 10-fold since 2010 (an 18% CAGR), and PE's share of firm AUM has shrunk to less than one-third. These non-PE asset classes are less penetrated than PE and provide a substantial runway for KKR to continue growing its funds, fees, and earnings. KKR also has significant growth opportunities in Asia, which it first entered in 2005 and where alternative asset management is far less penetrated compared to Western countries. In 2021, KKR successfully transitioned leadership from Kravis and Roberts to co-CEOs Scott Nuttall and Joe Bae, longtime KKR employees responsible for many of the growth initiatives that are driving KKR's success today.

In addition to its globally diversified asset management business, KKR has significant exposure to the growth of private credit through its ownership of Global Atlantic, an insurance company with $183 billion of AUM. Global Atlantic is a beneficiary of the shift of illiquid credit assets into the private markets where they are better matched from a funding duration perspective and can deliver higher yields than publicly traded fixed income securities with the same credit ratings. KKR also has a strategic holdings segment that includes co-investments in a portfolio of high-quality businesses managed by KKR's PE funds. These balance sheet investments should generate a durable stream of earnings and dividends for KKR that will be reinvested back into the business or returned to shareholders. We believe the company's above-market growth is enabled by its brand, track record of strong returns, proven management team, deep client relationships, and diversified business which gives the company more growth avenues compared to peers. At the company's Investor Day in April, management guided to 20% annualized growth in fee-related earnings and 30% annualized growth in earnings per share, reaching $7 to $8 by 2026. KKR management expects earnings to more than quadruple to over $15 per share within 10 years, representing a 16% CAGR. We think KKR's diversified platform of leading businesses gives the company multiple ways to grow earnings as they execute into the expanding market for alternative assets, which should bode well for the stock over the long run.

Lastly, we initiated a position in **Samsara Inc.**, which provides a cloud software platform for commercial vehicle telematics, video-based driver safety, driver workflow automation, and industrial equipment monitoring. Its software collects and analyzes data from sensors and cameras installed in its customers' commercial trucks, construction equipment, warehouses, and other assets, helping companies visualize and improve the state of their operations. More than 17,500 customers in the transportation, field services, construction, utilities, and other industries have adopted Samsara, and last year the company became one of the fastest software companies ever to reach $1 billion in annual recurring revenue (ARR).

Samsara has been winning share from competitors in the $51 billion connected fleet software market due to its superior cloud native architecture, ability to address multiple use cases in a single platform, and its rapid product release cycle. Importantly, as Samsara continues to expand

[3] Second quarter 2024 earnings call.

its connected asset base, it is building an unmatched data asset that it is using to drive better outcomes for its customers relative to competitors. Capturing more than 10 trillion data points from over 70 billion miles driven, Samsara uses AI to help companies optimize their vehicle routes, prevent accidents, improve asset utilization, reduce fuel expenses, and lower insurance premiums. In 2023, across its customer base, the company prevented 200,000 accidents and reduced carbon emissions by 2.3 billion pounds. Seeing a fast and tangible return on investment, customers have renewed and expanded their Samsara subscriptions at a healthy rate.

We see a long runway for growth as Samsara expands in existing accounts and wins new logos. Samsara is less than 50% penetrated in its existing customers' vehicle fleets and has a significant opportunity to cross-sell newer non-vehicle products into its base. As it has scaled, Samsara has delivered healthy operating leverage, and we think free cash flow can expand to more than 20% longer term.

Table VI.
Top net sales for the quarter ended September 30, 2024

	Quarter End Market Cap or Market Cap When Sold ($ billions)	Net Amount Sold ($ millions)
CrowdStrike Holdings, Inc.	68.8	15.0
ServiceNow, Inc.	184.2	13.3
NVIDIA Corporation	2,978.9	6.6
Rivian Automotive, Inc.	12.0	6.4
Cloudflare, Inc.	27.7	6.1

Outlook

We started the year with majority of market participants expecting an economic recession, or at a minimum, a hard landing. Since 1955, every time but once, whenever the yield curve had inverted, a recession followed within 6 to 24 months[4]. Over the last 9 months, as the economy proved to be more resilient, the conversation has shifted to the likelihood of a soft landing or possibly even no landing. After posting a 1.6% reading in the March quarter, the U.S. real GDP accelerated to 3.0% growth in the second quarter of 2024. The unemployment rate remained steady at 4.1%, while inflation continued to soften, hitting 2.4% in September, the lowest rate since February 2021. After 8 months of "higher for longer" dominating the investing narrative, the Fed officially embarked on an easing cycle after reducing the interest rates by 50bps after its September meeting.

While we continue to have no view on the timing or the pace of further interest rates cuts, we will point out that lower rates reduce the cost of capital, increase the wealth effect, and generally improve investor confidence. That in turn often leads to longer time horizons which could positively impact the multiples investors are willing to pay for growth stocks. The majority of the businesses we tend to favor can be considered as long-duration assets, because as beneficiaries of disruptive change with large and fast-growing markets they almost always penalize near-term profitability in order to reinvest aggressively for future growth. In other words, they overinvest and under-earn. Mathematically speaking, using lower cost of capital and lower interest rates to discount future free cash flows to present value yields higher results. The proverbial two birds in the bush are worth more – when the rates are lower and even more when rates are expected to decline further, creating a welcome tailwind, indeed.

Importantly, we do not structure or position the portfolio to benefit from any particular market environment. Instead, we focus on investing in high quality business – companies with durable competitive advantages, strong balance sheets, and exceptional management teams with a proven track record of operational excellence and successful capital allocation.

The rapid advancement of Gen AI technology presents both clear risks and compelling opportunities. While the implications of AI on the global economy and on particular industries and businesses are not yet clear, we believe our portfolio includes many companies that are well positioned to benefit from this technological paradigm shift, without taking significant risk of permanent loss of capital.

Every day we live and invest in an uncertain world. Well-known conditions and widely anticipated events, such as Federal Reserve rate changes, ongoing trade disputes, government shutdowns, and the unpredictable behavior of important politicians the world over, are shrugged off by the financial markets one day and seem to drive them up or down the next. We often find it difficult to know why market participants do what they do over

[4] https://www.frbsf.org/research-and-insights/publications/economic-letter/2018/03/economic-forecasts-with-yield-curve/

the short term. The constant challenges we face are real and serious, with clearly uncertain outcomes. History would suggest that most will prove passing or manageable. The business of capital allocation (or investing) is the business of taking risk, managing the uncertainty, and taking advantage of the long-term opportunities that those risks and uncertainties create.

We are optimistic about the long-term prospects of the companies in which we are invested and continue to search for new ideas and investment opportunities while remaining patient and investing only when we believe target companies are trading at attractive prices relative to their intrinsic values.

Sincerely,

Alex Umansky
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 Fund invests primarily in large cap equity securities which are subject to price fluctuations in the stock market. Even though the Fund is diversified, it may establish significant positions where the Adviser has the greatest conviction. This could increase volatility of the Fund's returns.

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 Fifth Avenue Growth Fund by anyone in any jurisdiction where it would be unlawful under the laws of that jurisdiction to make such offer or solicitation.

Price/Earnings Ratio or P/E (next 12-months): is a valuation ratio of a company's current share price compared to its mean forecasted 4 quarter sum earnings per share over the next twelve months. If a company's EPS estimate is negative, it is excluded from the portfolio-level calculation. **EPS Growth Rate (3-5-year forecast)** indicates the long term forecasted EPS growth of the companies in the portfolio, calculated using the weighted average of the available 3-to-5 year forecasted growth rates for each of the stocks in the portfolio provided by FactSet Estimates. The EPS Growth rate does not forecast the Fund's performance. **Enterprise value (EV)** is a measure of a company's total value, often used as a more comprehensive alternative to equity market capitalization. EV includes in its calculation the market capitalization of a company but also short-term and long-term debt as well as any cash on the company's balance sheet. **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).

Dear Baron Focused Growth Fund Shareholder:

Performance

Baron Focused Growth Fund® (the Fund) had strong relative and absolute performance in the third quarter increasing 11.77% (Institutional Shares) compared to the Russell 2500 Growth Index (the Benchmark), which increased 6.99%. The Fund had strong performance across the board as it became evident that the Federal Reserve's (the Fed) restrictive policies over the past year were beginning to have their desired effect of slowing inflation, job growth, and employment. This cooling of economic growth led investors to believe the Fed could start cutting interest rates this fall, which came to reality with September's 50 basis point cut in rates. This resulted in gains for our **Disruptive Growth** investments, the valuations of which had been negatively impacted by higher interest rates and whose growth could accelerate in a lower interest rate and moderate inflationary environment. Included in this category of investments are **Tesla, Inc.**, **FIGS, Inc.**, **Shopify Inc.**, and **Spotify Technology S.A.**

Table I.
Performance
Annualized for periods ended September 30, 2024

	Baron Focused Growth Fund Retail Shares[1,2,3]	Baron Focused Growth Fund Institutional Shares[1,2,3,4]	Russell 2500 Growth Index[2]	Russell 3000 Index[2]
Three Months[5]	11.69%	11.77%	6.99%	6.23%
Nine Months[5]	13.20%	13.42%	11.20%	20.63%
One Year	24.13%	24.46%	25.20%	35.19%
Three Years	4.63%	4.90%	(0.75)%	10.29%
Five Years	25.79%	26.13%	9.75%	15.26%
Ten Years	16.93%	17.23%	9.98%	12.83%
Fifteen Years	15.53%	15.83%	12.22%	13.80%
Since Conversion (June 30, 2008)	13.23%	13.50%	10.14%	11.59%
Since Inception (May 31, 1996)	13.32%	13.48%	8.22%	9.78%

DAVID BARON
CO-PRESIDENT AND
PORTFOLIO MANAGER

RONALD BARON
CEO AND
PORTFOLIO MANAGER

Retail Shares: BFGFX
Institutional Shares: BFGIX
R6 Shares: BFGUX

Our **Financials** investments were also strong in the quarter. This is despite the expectation for lower future interest rates as our investments in this category, such as **MSCI Inc.**, **Interactive Brokers Group, Inc.**, and **Arch Capital Group Ltd.**, benefitted from increases in business activity and consumer confidence. MSCI saw business activity accelerate while cancellation rates declined, and client engagement remained strong. Interactive Brokers benefited from a continued acceleration in new client growth and trading revenue, while Arch saw continued growth in insurance premiums written and higher pricing due to strong demand for its property & casualty (P&C) insurance.

Performance listed in the above table is net of annual operating expenses. Annual expense ratio for the Retail Shares and Institutional Shares as of December 31, 2023 was 1.32% and 1.06%, 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 Adviser may waive or reimburse certain Fund expenses pursuant to a contract expiring on August 29, 2035, 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 BaronCapitalGroup.com or call 1-800-99-BARON.

1 Reflects the actual fees and expenses that were charged when the Fund was a partnership. The predecessor partnership charged a 15% performance fee through 2003 after reaching a certain performance benchmark. If the annual returns for the Fund did not reflect the performance fees for the years the predecessor partnership charged a performance fee, the returns would be higher. The Fund's shareholders will not be charged a performance fee. The performance is only for the periods before the Fund's registration statement was effective, which was December 31, 2008. 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 2500™ Growth Index** measures the performance of small to medium-sized 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 2500™ 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.

3 The performance data 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.

Our **Core Growth** investments were also strong in the quarter, as these companies benefitted from recent investments in their businesses, which helped accelerate revenue and cash flow growth. These included **Guidewire Software, Inc.**, **On Holding AG**, and **Illumina, Inc**. These companies continue to make strategic investments in their businesses that we believe should generate strong returns on invested capital and lead to further growth in the years to come.

The stock price gains mentioned above were slightly offset by underperformance in our more economic-sensitive stocks, including **Birkenstock Holding plc**, **Krispy Kreme, Inc.**, **Red Rock Resorts, Inc.**, and **Vail Resorts, Inc.** These companies were negatively impacted by an increase in investments across their businesses which penalized company margins as well as concerns that their pricing power would be eroded by the decline in inflation. However, we believe as interest rates decline, business activity for these companies should accelerate. We continue to believe these businesses have strong competitive advantages with underpenetrated growth opportunities ahead of them and robust balance sheets to fund their growth. We believe valuations are attractive at current levels and continue to see an acceleration in insider buying activity, a key pillar that gives us stronger confidence in our investment thesis for these companies and expected stock returns over time.

In the near term, we continue to believe that inflation will remain at or below the historic 3% to 4% annualized levels and interest rates will approximate the rate of inflation. This has been the case since World War II. We believe that is a favorable environment for businesses that are growing significantly faster than the rate of inflation and the 7% nominal annualized growth rate of our economy.

The Fund has continued to generate strong returns with less than market risk. Over the trailing 3, 5, and 10 years, the Fund has captured 101%, 131%, and 112%, respectively, of the upside when the market increased. When markets declined, the Fund lost less with 83%, 88%, and 87% downside capture, respectively. The Fund's Sharpe ratio, a measure of risk-adjusted return, was also significantly higher than the Benchmark's for each of these periods.

We believe these strong returns with downside protection are due to our research-based investment process. Our research enables us to identify and understand businesses' competitive advantages, differentiation, long-term growth prospects, and exceptional people; and it allows us to invest in these businesses for the long term. As a result, the Fund has outperformed its Benchmark for the 3-, 5-, 10-, and 15-year periods, as well as since its inception on May 31, 1996. **Since its inception as a private partnership over 28 years ago, the Fund has increased 13.48% annually. This compares to an 8.22% annualized return for the Benchmark and a 9.78% annualized return for the Russell 3000 Index that measures the performance of the largest 3,000 U.S. companies.**

The Fund's outperformance in the third quarter was due to our Disruptive Growth investments. These businesses represented 35.6% of the Fund's net assets and gained 15.2%, adding 520 bps in the quarter.

Tesla increased 32.2% in the quarter, adding 274 bps to performance. Tesla designs, manufactures, and sells electric vehicles, related software and components, and solar and energy storage products. The stock increased as the core automotive segment accelerated sequentially. We continue to believe lower interest rates should help sell more cars and halt the company's continuous lowering of prices on its cars. In addition, the company's energy storage business continues to grow and almost doubled from last year's third quarter levels. In time, we believe this business should add significantly to revenue and gross margins and help offset any margin degradation from its auto business. Tesla continues to generate sufficient gross profit to support a robust product development plan. The refreshed Models 3 and Y continue to generate strong demand with improving unit-level economics. Lastly, Tesla should benefit from its eight-year, $10 billion investment in data and compute that will allow AI to "train" cars to drive with autonomous technology. Dojo, an AI "training" compute; auto bidder, an automated energy trading platform; the Optimus, a human-like robot; and energy storage, we believe also provide opportunity. We believe Tesla is well positioned for further growth given its strong balance sheet and substantial cash.

Spotify increased 17.4% in the quarter and helped performance by 96 bps. The company continues to improve its platform by adding new products and making it more beneficial for the consumer. This has resulted in an increase in subscribers along with significant pricing power. The company has started to institute more regular price increases, which is accelerating its revenue and margin growth. Further, the company has been able to increase prices without increasing its churn rate. We believe the business should be able to improve gross margins from 26% to between 30% and 35% over time while continuing to add subscribers and generate strong top- and bottom-line growth. This should result in an increase in cash flow. Given strong cash flow conversion rates, we believe the company could initiate a return of capital program in the near future. We believe Spotify's valuation remains attractive despite its recent stock price increase. Founder and CEO Daniel Eck continues to own a 15% stake in the business.

The Fund's Financials investments also contributed to performance.

Interactive Brokers, a global automated electronic broker, increased 13.7% in the quarter and helped performance by 59 bps. The company continues to gain market share due to its strong automation and ability to operate in international markets with little competition. This is allowing the company to continue to grow its new accounts, which have accelerated recently as they have now added over a million customers in just 12 months. The company has industry-leading margins of over 70% generating robust cash flow. It has significant cash on its balance sheet and is looking to deploy it towards acquisitions and continued platform growth. We continue to believe the company's focus on the most sophisticated investors who trade a range of assets across different global markets is a key differentiating factor. The vast array of markets it serves and strong growth from countries outside the U.S. where low-cost brokerage is not well penetrated are key competitive advantages for the company. This allows the company to offer its clients the lowest cost trading due to its high level of automation, while also offering highly competitive rates on margin loans and paying its customers attractive yields on their uninvested cash balances. More than 80% of Interactive Brokers' clients are non-U.S. citizens, and more than 80% of their investments are in U.S. stocks. The company has little direct competition serving this clientele. Interactive Brokers continues to hire software and computer engineers with a focus on automating many of the processes that competitors rely on employees to perform. With its low-priced offerings and leading range of capabilities, we believe Interactive Brokers is well positioned to continue its rapid pace of account growth from just over 3 million clients today. The company's focus on automation should enable it to continue to be a low-priced provider while earning best-in-class margins, which we believe should lead to double-digit revenue and earnings growth.

P&C insurance software vendor Guidewire a standout in Core Growth and a major reason why the group performed better than the Benchmark. The company was up 32.7% for the quarter, adding 163 bps to performance. After a multi-year transition period, the company's cloud transition is substantially complete. We believe that cloud will be the sole path forward, with annual recurring revenue (ARR) benefiting from new customer wins and migrations of the existing customer base to Insurance Suite Cloud. We also expect the company to shift R&D resources to product development from infrastructure investment, which should help drive cross-sales into its sticky installed base and potentially accelerate ARR over time. We are encouraged by Guidewire's subscription gross margin expansion, which improved by approximately 810 bps in its most recently reported 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%.

The outperformance described above was partially offset by smaller than Benchmark gains in our **Real/Irreplaceable Assets** investments that are more susceptible to a slowdown in the macroeconomic environment and penalized by high interest rates. These businesses represented 20.0% of the Fund and increased 4.4%, compared to the Benchmark that increased 7.0%. These stocks underperformed due to an expected slowdown in the domestic economy from peak levels that could hurt revenue and cash flow growth. However, we believe these businesses can continue to grow even faster in a declining interest rate environment. This is due to the fact they all have strong recurring revenue, fee-oriented businesses with significant pricing power. Their high client retention rates are helped by consumers' desire to spend more on experiences over goods in the current post-COVID-19 (COVID) environment.

Shares of global ski resort operator Vail declined 3.2% in the third quarter and hurt performance by 15 bps. This was due to concerns about a decline in units of season passes for the upcoming season, which could result in continued lower visitation of skiers to its resorts. In addition, further normalization of the ski industry after the post-COVID surge of travelers to its resorts was also a concern. However, we believe the company continues to have a captive high-end consumer who is willing to pay for its services even if it means paying a higher price. The company continues to have significant pricing power, which, when combined with a new two-year, $100 million cost-cutting plan from increased synergies within the business, should lead to strong growth over the coming years. The company continues to have a strong cash flow and balance sheet profile and despite continuing to invest in its resorts still generates strong cash to cover its dividend. It recently increased its share buyback program which if they bought all of it back would equate to another 5% of the business. The CFO recently bought stock personally at current levels, giving us further confidence in our view that the stock is attractively valued.

Shares of Red Rock Resorts, an owner and operator of casinos in the Las Vegas Locals market, underperformed the benchmark in the quarter, declining 0.3%. This was due to slower-than-expected growth in the Las Vegas Locals market and greater-than-expected cannibalization of its casinos from the opening of its new Durango casino late last year. The Durango casino continues to generate strong results that should enable Red Rock Resorts to meet its projected 20% return on invested capital, pay down debt, and return to its targeted leverage of 3 times by the end of next year. We believe the new casino combined with continued market growth should generate high single-digit growth in EBITDA and double-digit free cash flow growth over the coming years. Red Rock Resorts currently has over 300 acres of gaming-entitled land to develop. Its margins remain above pre-pandemic levels, despite increasing wage costs, thanks to strong incremental margins on revenue generated from its new resort.

Global hotelier **Hyatt Hotels Corporation** also underperformed the Benchmark in the quarter, increasing just 0.3%. This was due to a deceleration in revenue per available room growth from modestly slower leisure bookings. However, the company continues to increase its business transient and group bookings, which continue to pace 7% ahead of 2023 levels. These bookings are half of its business today. Robust mid-single-digit growth in units and modest margin expansion should lead to double-digit growth in EBITDA this year. In addition, Hyatt continues to sell assets in its bid to become more asset-light. It also has one of the strongest balance sheets in its industry today. All of the above should generate significant cash flow that Hyatt can use to accelerate share buybacks. Hyatt has repurchased more than 80 million shares since its IPO in 2009! It now has just over 100 million shares outstanding. Yet, despite 85% of Hyatt's cash flow coming through fees, its stock still trades at a discount to peers.

Table II.
Total returns by category for the quarter ended September 30, 2024

	Percent of Net Assets (%)	Total Return (%)	Contribution to Return (%)
Disruptive Growth	**35.6**	**15.21**	**5.20**
Tesla, Inc.	9.8	32.22	2.74
FIGS, Inc.	3.3	28.39	0.72
Shopify Inc.	3.3	22.44	0.82
Spotify Technology S.A.	5.9	17.44	0.96
Iridium Communications Inc.	1.4	15.02	0.19
Space Exploration Technologies Corp.	8.8	–	–
X.AI Corp.	1.2	–	–
ANSYS, Inc.	1.8	–0.89	–0.01
Moderna, Inc.	–	–35.30	–0.23
Financials	**18.3**	**14.31**	**2.61**
Jefferies Financial Group Inc.	0.9	24.45	0.22
MSCI Inc.	3.2	21.35	0.65
Interactive Brokers Group, Inc.	4.6	13.70	0.59
FactSet Research Systems Inc.	3.5	12.91	0.45
Arch Capital Group Ltd.	6.1	10.89	0.69
Core Growth	**23.9**	**13.52**	**3.31**
Guidewire Software, Inc.	5.9	32.67	1.63
On Holding AG	4.7	29.31	1.21
Illumina, Inc.	2.1	24.89	0.50
IDEXX Laboratories, Inc.	1.0	3.70	0.05
CoStar Group, Inc.	3.2	1.75	0.08
Krispy Kreme, Inc.	2.5	0.12	0.03
Verisk Analytics, Inc.	2.6	–0.45	–0.01
Birkenstock Holding plc	2.0	–9.23	–0.18
Russell 2500 Growth Index		**6.99**	
Real/Irreplaceable Assets	**20.0**	**4.44**	**0.92**
Douglas Emmett, Inc.	1.6	33.40	0.46
Las Vegas Sands Corporation	1.3	14.50	0.15
Airbnb, Inc.	1.0	12.07	0.12
Choice Hotels International, Inc.	3.2	9.76	0.31
American Homes 4 Rent	0.5	3.98	0.03
Alexandria Real Estate Equities, Inc.	–	2.23	0.02
Hyatt Hotels Corporation	4.6	0.29	–0.02
Red Rock Resorts, Inc.	3.6	–0.33	0.00
Vail Resorts, Inc.	4.2	–3.20	–0.15
Cash and Cash Equivalents	**2.1**	**–**	**0.02**
Fees	**–**	**–0.30**	**–0.30**
Total	**100.0***	**11.75****	**11.75****

Sources: FactSet PA, Baron Capital, 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, 2024

	Year Acquired	Market Cap When Acquired ($ billions)	Quarter End Market Cap ($ billions)	Total Return (%)	Contribution to Return (%)
Tesla, Inc.	2014	31.2	835.8	32.22	2.74
Guidewire Software, Inc.	2013	2.7	15.2	32.67	1.63
On Holding AG	2023	10.1	16.0	29.31	1.21
Spotify Technology S.A.	2020	45.4	74.0	17.44	0.96
Shopify Inc.	2022	43.9	103.3	22.44	0.82

Tesla, Inc. designs, manufactures, and sells fully electric vehicles, related software and components, and solar and energy storage products. The stock contributed on accelerated growth in the energy unit, growing expectations that Tesla will soon launch new vehicle models, and increasing investor confidence in its potentially lucrative AI initiatives. Despite macroeconomic challenges, delivery data in major markets like China showed improvement in the quarter, while declining interest rates could enhance demand and profitability in the coming quarters. Tesla has also launched operations at its advanced computing center in Texas, rolled out an improved version of its software-enhanced driving solution, and announced plans to provide an important update on its AI projects in early October. These investments and product releases are enhancing Tesla's leadership position in real world AI and investor confidence that Tesla will benefit from these large and attractive growth opportunities.

Shares of P&C insurance software vendor **Guidewire Software, Inc.** advanced after subscription gross margins improved by more than 1,000 basis points in its most recently reported quarter. After a multi-year transition period, we believe the company's cloud transition is substantially over. We believe cloud will be the sole path forward, with annual recurring revenue (ARR) benefiting from new customer wins and migration of the existing customer base to InsuranceSuite Cloud. We also expect Guidewire to shift R&D resources to product development from infrastructure investment, which should help drive cross-sales into its sticky installed base and potentially accelerate ARR over time. 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%.

On Holding AG is a Swiss premium performance sports brand specializing in footwear. Shares contributed to performance on solid execution and market share gains across all channels, categories, and geographies. Heightened brand awareness following marketing campaigns around the Olympics and the unveiling of new differentiated products such as Light Spray helped boost quarterly results, with revenue expanding 28%. On also reported improving trends in the direct-to-consumer channel as it redressed logistical constraints at the Atlanta distribution center to better match supply with demand. We see a long growth runway supported by geographic expansion, a growing retail footprint, and opportunities in its nascent apparel business.

Table IV.
Top detractors from performance for the quarter ended September 30, 2024

	Year Acquired	Market Cap when Acquired ($ billions)	Quarter End Market Cap or Market Cap When Sold ($ billions)	Total Return (%)	Contribution to Return (%)
Moderna, Inc.	2024	45.3	31.3	–35.30	–0.23
Birkenstock Holding plc	2023	7.6	9.3	–9.23	–0.18
Vail Resorts, Inc.	2013	2.3	6.5	–3.20	–0.15
Hyatt Hotels Corporation	2009	4.2	15.0	0.29	–0.02
Verisk Analytics, Inc.	2022	27.4	38.2	–0.45	–0.01

Moderna, Inc. is a leader in the emerging field of mRNA-based vaccines and therapeutics. Shares were pressured by increasing skepticism around whether a sizable market will exist for recurring boosters (whether bundled with flu or not) in a post-pandemic environment. During its R&D day, Moderna gave a weak 2025 outlook and said it is pulling back on R&D spend. We exited our position.

Birkenstock Holding plc is a global footwear brand that has been making its distinctive style of sandals since 1774. Shares fell on a slight miss in quarterly revenue due to a demand mix shift away from the direct-to-consumer channel, which grew only 14%, and into the wholesale channel, which expanded 23%. The change was the result of a shift in consumer preference toward in-person shopping, prompting them to purchase shoes from Birkenstock's wholesale partners due to the company's limited retail presence of just 64 stores. We remain investors. Broad-based quarterly revenue growth of 19% pointed to continued strong demand across different product lines and geographies with high levels of full price sell through, as well as market share gains. We see a long growth runway for Birkenstock, supported by retail, geographic, and category expansion.

Global ski resort company **Vail Resorts, Inc.** detracted from performance, as a result of a drop in the number of season passes sold and the normalization of the ski industry following the post-pandemic surge of visitors. We remain investors. With a captive high-end consumer base who is willing to pay a premium for its services, Vail enjoys significant pricing power. It plans to cut $100 million in costs over the next two years by leveraging synergies within the business, which should result in improved margins. The company uses its strong balance sheet and robust cash flow to invest in its resorts and cover its dividend, and it recently increased its share buyback program. We think shares are attractive at current valuations.

Investment Strategy & Portfolio Structure

We remain steadfast in our commitment to long-term investing in competitively advantaged growth businesses. We believe these investments are an effective way to protect and increase the purchasing power of your savings. Wars, pandemics, financial panics, higher-than-normal inflation, and interest rate increases can cause significant market declines, but when these negative influences abate, interest rates stabilize and decline, stock prices in the past have increased substantially. We believe this will happen again, although the timing remains uncertain.

As of September 30, 2024, the Fund owned 29 investments. The Fund's average portfolio turnover for the past three years was 21.7%. This means the Fund has an average holding period for its investments of almost five years. This compares to the average mid-cap growth mutual fund that typically turns over its entire portfolio every 17 months. From a quality standpoint, the Fund's investments have stronger sales growth; higher EBITDA, operating, and free-cash-flow margins; and stronger returns on invested capital than the Benchmark. We believe these metrics help limit risk in this focused portfolio and are why the portfolio has generated strong risk-adjusted returns over time.

While focused, the Fund is diversified by sector. The Fund's weightings are significantly different than those of the Benchmark. For example, the Fund is heavily weighted to Consumer Discretionary businesses with 40.2% of net assets in this sector versus 14.4% for the Benchmark. The Fund has no exposure to Energy, Materials, or Utilities. We believe companies in these sectors can be cyclical, linked to commodity prices, and/or have little if any competitive advantage. This compares to the Benchmark that had 8.1% combined exposure to these sectors. The Fund also has lower exposure to Health Care stocks at 3.1% for the Fund versus 22.1% for the Benchmark. The performance of many stocks in the Health Care sector can change quickly due to exogenous events or binary outcomes (e.g., biotechnology and pharmaceuticals). As a result, we do not invest a large amount in these stocks in this focused portfolio. In Health Care, we invest in competitively advantaged companies that are leaders in their industries such as **IDEXX Laboratories, Inc.**, the leading provider of diagnostics to the veterinary industry and **Illumina, Inc.**, the leader in DNA sequencing instruments and consumables. The Fund is further diversified by investments in businesses at different stages of growth and development.

Table V.
Disruptive Growth Companies as of September 30, 2024

	Percent of Net Assets (%)	Year Acquired	Cumulative Return Since Date Acquired (%)
Tesla, Inc.	9.8	2014	1,467.2
Space Exploration Technologies Corp.	8.8	2017	709.9
Spotify Technology S.A.	5.9	2020	54.0
FIGS, Inc.	3.3	2022	–25.3
Shopify Inc.	3.3	2022	130.2
ANSYS, Inc.	1.8	2022	30.8
Iridium Communications Inc.	1.4	2014	358.6
X.AI Corp.	1.2	2024	0.0

Disruptive Growth firms accounted for 35.6% of the Fund's net assets. On current metrics, these businesses may appear expensive; however, we think they will continue to grow significantly and, if we are correct, they have the potential to generate exceptional returns over time. Examples of these companies include electric vehicle leader **Tesla, Inc.**, commercial satellite and launch company **Space Exploration Technologies Corp.**, and audio streaming service provider **Spotify Technology S.A.** These companies all have large underpenetrated addressable markets, are well-financed with significant equity stakes by these founder-led companies, giving us further conviction in our investment.

Table VI.
Core Growth Investments as of September 30, 2024

	Percent of Net Assets (%)	Year Acquired	Cumulative Return Since Date Acquired (%)
Guidewire Software, Inc.	5.9	2013	295.8
On Holding AG	4.7	2023	57.3
CoStar Group, Inc.	3.2	2014	252.5
Verisk Analytics, Inc.	2.6	2022	56.8
Krispy Kreme, Inc.	2.5	2021	–21.9
Illumina, Inc.	2.1	2023	14.8
Birkenstock Holding plc	2.0	2023	22.6
IDEXX Laboratories, Inc.	1.0	2022	14.5

Core Growth investments, steady growers that continually invest in their businesses for growth and return excess free cash flow to shareholders, represented 23.9% of net assets. An example is **CoStar Group, Inc.**, a marketing and data analytics provider to the real estate industry. The company continues to add new services in commercial and residential real estate, which have grown its addressable market and enhanced services for its clients. This has improved client retention and cash flow. CoStar continues to invest its cash flow in its business to accelerate growth, which we believe should generate strong returns over time.

Table VII.
Investments with Real/Irreplaceable Assets as of September 30, 2024

	Percent of Net Assets (%)	Year Acquired	Cumulative Return Since Date Acquired (%)
Hyatt Hotels Corporation	4.6	2009	458.7
Vail Resorts, Inc.	4.2	2013	257.2
Red Rock Resorts, Inc.	3.6	2017	203.7
Choice Hotels International, Inc.	3.2	2010	552.7
Douglas Emmett, Inc.	1.6	2022	22.4
Las Vegas Sands Corporation	1.3	2023	12.5
Airbnb, Inc.	1.0	2024	10.6
American Homes 4 Rent	0.5	2018	103.1

Companies that own what we believe are **Real/Irreplaceable Assets** represented 20.0% of net assets. **Vail Resorts, Inc.**, owner of the premier ski resort portfolio in the world, **Hyatt Hotels Corporation**, upscale lodging brand, and **Red Rock Resorts, Inc.**, the largest player in the Las Vegas Locals casino gaming market, are examples of companies we believe possess meaningful brand equity and barriers to entry that equate to significant pricing power over time.

Table VIII.
Financials Investments as of September 30, 2024

	Percent of Net Assets (%)	Year Acquired	Cumulative Return Since Date Acquired (%)
Arch Capital Group Ltd.	6.1	2003	2,972.7
Interactive Brokers Group, Inc.	4.6	2023	75.7
FactSet Research Systems Inc.	3.5	2008	967.3
MSCI Inc.	3.2	2021	–8.1
Jefferies Financial Group Inc.	0.9	2023	109.8

Financials investments accounted for 18.3% of the Fund's net assets. These businesses generate strong recurring earnings through subscriptions and premiums that generate highly predictable earnings and cash flow. These businesses use cash flows to continue to invest in new products and services, while returning capital to shareholders through share buybacks and dividends. These companies include **Arch Capital Group Ltd.**, **FactSet Research Systems Inc.**, and **MSCI Inc.**

Portfolio Holdings

As of September 30, 2024, the Fund's top 10 holdings represented 58.2% of net assets. Many of these investments have been successful and were purchased when they were much smaller businesses. We believe they continue to offer significant appreciation potential, although we cannot guarantee that will be the case.

The top five positions in the portfolio, **Tesla, Inc.**, **Space Exploration Technologies Corp.**, **Arch Capital Group Ltd.**, **Spotify Technology S.A.**, and **Guidewire Software, Inc.** all have, in our view, significant competitive advantages due to irreplaceable assets, strong brand awareness, technologically superior industry expertise, or exclusive data that is integral to their operations. We think these businesses cannot be easily duplicated and have large market opportunities to penetrate further, which enhances their potential for superior earnings growth and returns over time.

Table IX.
Top 10 holdings as of September 30, 2024

	Year Acquired	Market Cap When Acquired ($ billions)	Quarter End Market Cap ($ billions)	Quarter End Investment Value ($ millions)	Percent of Net Assets (%)
Tesla, Inc.	2014	31.2	835.8	160.9	9.8
Space Exploration Technologies Corp.	2017	21.6	210.2	145.6	8.8
Arch Capital Group Ltd.	2003	0.9	42.1	100.7	6.1
Spotify Technology S.A.	2020	45.4	74.0	96.6	5.9
Guidewire Software, Inc.	2013	2.7	15.2	96.3	5.9
On Holding AG	2023	10.1	16.0	77.0	4.7
Hyatt Hotels Corporation	2009	4.2	15.0	76.1	4.6
Interactive Brokers Group, Inc.	2023	33.8	59.3	75.3	4.6
Vail Resorts, Inc.	2013	2.3	6.5	69.5	4.2
Red Rock Resorts, Inc.	2017	2.6	5.7	58.9	3.6

Recent Activity

In the third quarter, we initiated a new position in **Airbnb, Inc.**, the leader in the management and operation of vacation rentals and hotels on their proprietary platform. The company has an incredible brand, and benefits in both upcycles with strong demand, and downcycles through an increase in supply as owners look to rent their places for additional income. Despite concerns about slower travel growth from peak levels, the company continues to grow at a double-digit rate in revenue despite worries about a consumer slowdown and is now leaning in with increased marketing to grow internationally where it remains underpenetrated. The company is still generating 35% EBITDA margins and 40% free cash flow margins with a strong balance sheet that remains in a net cash position. It is still founder-led with the three founders still owning over 30% of the business. However, the company now trades at the same valuation as hoteliers despite growing faster with a less capital-intensive business and stronger cash conversion of its revenue. We believe valuation remains attractive at current levels.

In the quarter, we also increased our positions in **Vail Resorts, Inc.** and **Shopify Inc.**, two companies we believe were trading at attractive valuations and should see accelerated growth in the years ahead. We increased our position in Vail as the stock declined in the quarter due to declines in season pass sales units. However, we believe assuming normal winter weather, the company should grow its earnings at a double-digit rate next year. Its season pass sales should still grow this year and help the company lock in close to a third of its revenue before the season even starts. We continue to believe the company has significant pricing power given no new ski supply, which enables the company to generate strong free cash flow. The company is trading over a 6% free cash flow yield, a level we deem attractive.

We also added to our Shopify investment when it declined significantly due to an increase in product and marketing investments the company is currently making to increase its already strong competitive advantages. While this will hurt current profitability, we believe it is the right decision and should result in strong returns on invested capital, especially as competitors shy away from investments in their own businesses.

Outlook

We believe the shares of many of our portfolio investments already reflect overly pessimistic earnings estimates for this year. Investors obviously remember operating declines during the 2008/2009 Global Financial Crisis and are pricing in similar declines today. If we do not go into a deep recession this year, or if the slowdown and expected decline in earnings are not as bad as feared, we see significant near-term upside in the portfolio. We continue to believe our stocks are cyclically depressed, not secularly challenged, and see further upside over the next 12 to 18 months. So far, most of our portfolio holdings have not experienced a slowdown in sales or earnings growth, and their outlooks remain strong. In addition, we believe that even if a downturn were to occur, our portfolio companies would still be operating above pre-pandemic levels. These businesses' balance sheets have been strengthened post-COVID, and we believe they remain well positioned to weather a downturn should one occur. We find the current risk/reward inherent in our portfolio holdings attractive at current levels.

Thank you for investing in Baron Focused Growth Fund. We continue to work hard to justify your confidence and trust in our stewardship of your family's hard-earned savings. We also continue to try to provide you with information we would like to have if our roles were reversed. This is so you can make an informed judgment about whether Baron Focused Growth Fund remains an appropriate investment for your family.

Respectfully,

Ronald Baron
CEO and Portfolio Manager

David Baron
Co-President and
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 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. Specific risks associated with investing in small and medium-sized companies include that the securities may be thinly traded and more difficult to sell during market downturns.

The Fund may not achieve its objectives. Portfolio holdings are subject to change. Current and future 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 Focused Growth Fund by anyone in any jurisdiction where it would be unlawful under the laws of that jurisdiction to make such offer or solicitation.

Upside Capture explains how well a fund performs in time periods where the benchmark's returns are greater than zero. **Downside Capture** measures how well a fund performs in time periods where the benchmark's returns are less than zero. **Free cash flow (FCF)** represents the cash that a company generates after accounting for cash outflows to support operations and maintain its capital assets. **Free cash flow yield** is a financial solvency ratio that compares the free cash flow per share a company is expected to earn against its market value per share.

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).

Baron International Growth Fund

Dear Baron International Growth Fund Shareholder:

Performance

Baron International Growth Fund® (the Fund) gained 8.07% (Institutional Shares) during the third quarter of 2024, while its primary benchmark index, the MSCI ACWI ex USA Index (the Benchmark), was up 8.06%. The MSCI ACWI ex USA IMI Growth Index (the Proxy Benchmark) gained 7.13% for the quarter. The Fund performed in line with the Benchmark and outperformed the Proxy Benchmark during a solid quarter for global equity returns.

While the seminal event during the third quarter was the U.S. Federal Reserve's (the Fed) 50 basis point rate cut, marking the beginning of a long-awaited easing cycle, we would argue that the nearly simultaneous emergence of two additional catalysts have markedly increased the likelihood that we have now entered a sustainable and mean-reverting outperformance phase for international equities. The first was Japan's exit from zero interest rate policy, signaling interest rate and monetary policy normalization and a bottom to the 13-year bear market in the Japanese yen, which we believe will likely provoke a longer-term inflection point in global capital flows away from over-owned U.S. assets and in the direction of non-U.S. bonds and equities. Second was the comprehensive and unexpected pivot in monetary and fiscal stimulus intensity announced in late September by Chinese authorities, finally projecting a sense of urgency and commitment regarding economic recovery and property market stabilization, while clearly prioritizing the execution of pro-growth policy initiatives. In response to the above, international and emerging markets (EM) equities both markedly outperformed the S&P 500 Index during the third quarter. We remain optimistic that despite the recent rally, non-U.S. equities offer an attractive long-term entry point, with valuations and relative earnings expectations still near multi-decade lows and investor skepticism remaining quite high. As always, we are confident that our diversified portfolio of well-positioned and well-managed companies can execute on their potential over the coming years.

MICHAEL KASS

PORTFOLIO MANAGER

Retail Shares: BIGFX
Institutional Shares: BINIX
R6 Shares: BIGUX

Table I.
Performance
Annualized for periods ended September 30, 2024

	Baron International Growth Fund Retail Shares[1,2]	Baron International Growth Fund Institutional Shares[1,2,3]	MSCI ACWI ex USA Index[1]	MSCI ACWI ex USA IMI Growth Index[1]
Three Months[4]	8.02%	8.07%	8.06%	7.13%
Nine Months[4]	10.69%	10.90%	14.21%	13.67%
One Year	19.20%	19.53%	25.35%	26.16%
Three Years	(4.87)%	(4.63)%	4.14%	0.43%
Five Years	6.09%	6.35%	7.59%	7.15%
Ten Years	6.19%	6.45%	5.22%	5.98%
Fifteen Years	7.27%	7.54%	5.49%	6.32%
Since Inception (December 31, 2008)	8.94%	9.21%	7.31%	7.99%

Performance listed in the above table is net of annual operating expenses. The gross annual expense ratio for the Retail Shares and Institutional Shares as of December 31, 2023 was 1.26% and 0.98%, but the net annual expense ratio was 1.20% and 0.95% (net of the Adviser's fee waivers), 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 Adviser waives and/or reimburses certain Fund expenses pursuant to a contract expiring on August 29, 2035, 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 BaronCapitalGroup.com or call 1-800-99-BARON.

1 The **MSCI ACWI ex USA Index Net (USD)** is designed to measure the equity market performance of large and mid cap securities across 22 of 23 Developed Markets (DM) countries (excluding the US) and 24 Emerging Markets (EM) countries. The **MSCI ACWI ex USA IMI Growth Index Net (USD)** is designed to measure the performance of large, mid and small cap growth securities exhibiting overall growth style characteristics across 22 of 23 Developed Markets (DM) countries (excluding the United States) and 24 Emerging Markets (EM) countries. MSCI is the source and owner of the trademarks, service marks and copyrights related to the MSCI Indexes. The indexes and the Fund include reinvestment of dividends, net of foreign withholding taxes, which positively impact the performance results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly in an index.

2 The performance data 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 5/29/2009 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 5/29/2009 did not reflect this fee, the returns would be higher.

4 Not annualized.

In the third quarter of 2024, we performed in line with the Benchmark, while outperforming our all-cap growth-oriented Proxy Benchmark. By sector or theme, solid stock selection across multiple themes within Industrials and Materials were the largest contributors to relative performance this quarter. Notable outperformers were **HD Korea Shipbuilding & Offshore Engineering Co., Ltd.**, **Techtronic Industries Co. Ltd.**, and **HD Hyundai Heavy Industries Co., Ltd.**, as part of our sustainability/ESG theme, **Agnico Eagle Mines Limited** and **Lynas Rare Earths Limited** within global security, and **DSM-Firmenich AG**, **Symrise AG**, and **Linde plc** across our best-in-class/high quality growth theme. In addition, solid stock selection in the Consumer Discretionary sector, primarily driven by our investment in **Trent Limited**, as part of our EM consumer theme, also bolstered relative results. Broadly offsetting the above was negative allocation effect and adverse stock selection in the Financials sector, partially attributable to our exposure to Japanese banks (**Sumitomo Mitsui Financial Group, Inc.** and **Mitsubishi UFJ Financial Group, Inc.**) that retraced prior period gains owing to a decline in Japanese long-term bond yields and an appreciation of the yen, which create headwinds to the banks' earnings outlook. In addition, adverse stock selection in the Consumer Staples sector, owing to select investments in our EM consumer theme (**Dino Polska S.A.** and **Godrej Consumer Products Limited**), also weighed on relative results.

From a country perspective overall, positive stock selection effect was offset by adverse allocation. Solid stock selection in the Netherlands, Korea, and India were the largest contributors to relative performance this quarter. Our active exposure to the U.S., through investments in **Agilent Technologies, Inc.** and **Arch Capital Group Ltd.**, together with our underweight positioning in Taiwan, also bolstered relative results. Mostly offsetting the above was poor stock selection effect in Japan, Israel, Brazil, and the U.K., together with adverse allocation and stock selection in Germany and Switzerland.

Table II.
Top contributors to performance for the quarter ended September 30, 2024

	Contribution to Return
Trent Limited	0.62%
argenx SE	0.58
HD Korea Shipbuilding & Offshore Engineering Co., Ltd.	0.49
DSM-Firmenich AG	0.44
Bharti Airtel Limited	0.39

Trent Limited is a leading retailer in India that sells direct-to-consumer private label apparel through its proprietary retail network. Shares were up on better-than-expected quarterly sales performance as well as the continued expansion of its Zudio value fashion franchise. We believe the company will generate over 25% revenue growth in the near-to-medium term, driven by same-store-sales growth and outlet expansion. In addition, we believe improved operating leverage and a growing franchisee mix will lead to increased profitability and return on capital, driving an EBITDA CAGR of more than 30% over the next three to five years.

Argenx SE is a biotechnology company focused on autoimmune disorders. Shares increased on positive sentiment around Vyvgart's second commercial indication in rare nerve disorder chronic inflammatory demyelinating polyneuropathy, which was approved in late June and should be a strong launch into a large addressable market, in our opinion. Shares also benefited after competitor data from Amgen's Uplinza failed to impress in myasthenia gravis, Vyvgart's current core indication. Upcoming clinical catalysts should continue to drive long term growth, including readouts in myositis, Sjogren's syndrome, multifocal motor neuropathy, and the subcutaneous formulation launch.

HD Korea Shipbuilding & Offshore Engineering Co., Ltd. is the holding company of Hyundai Heavy, the largest global shipbuilder based on orderbook size and the global leader in high-end vessels including liquified natural gas (LNG)-powered ships. Shares contributed on stronger-than-expected quarterly results at its subsidiaries, including margin growth enhanced by higher pricing and lower raw materials costs and strong year-to-date newbuild ship order demand and pricing. Korean shipbuilders have an oligopoly in LNG carrier shipbuilding, LNG dual-fueled container ships, and tankers. Tighter carbon emissions regulations, to be fully adopted by the International Maritime Organization (IMO) by 2030, should drive demand for LNG dual-fueled ships as well as carbon-free ammonia-fueled ships. We expect a structural shortage of compliant ships as the IMO deadline nears, which should benefit HD Korea Shipbuilding given its dominance in this industry.

Table III.
Top detractors from performance for the quarter ended September 30, 2024

	Contribution to Return
Tokyo Electron Limited	-0.34%
Novo Nordisk A/S	-0.28
Samsung Electronics Co., Ltd.	-0.24
Universal Music Group N.V.	-0.22
PDD Holdings Inc.	-0.16

Semiconductor production equipment manufacturer **Tokyo Electron Limited** detracted in the third quarter due to concerns about a slower-than-expected near-term revenue growth recovery. We remain optimistic about Tokyo Electron's long-term prospects. We expect semiconductor production equipment spend will grow robustly for years to come, as chipmakers expand production capacity to meet rising demand, with AI as a key long-term driver. We believe the company will remain a critical enabler of major chipmakers' technological advancements.

Novo Nordisk A/S sells GLP-1 drugs to treat diabetes and obesity. Its most recent generation of GLP-1 drugs, Ozempic/Wegovy, can drive up to 15% weight loss and improve cardiovascular outcomes in both diabetics and non-diabetic obese patients. Novo Nordisk had been touting monlunabant, which inhibits the CB1 cannabinoid receptors that regulate appetite, as a potential easy-to-manufacture oral obesity drug. Disappointing phase 1 data from monlunabant pressured shares, as the data suggested that monlunabant does not entirely avoid the neuropsychiatric side effects other drugs in the class have struggled with. Monlunabant is not core to our thesis, and we remain bullish on Novo Nordisk's offerings in the metabolic space, including CagriSema (Ozempic + an amylin agonist) and amycretin (dual GLP1/amylin agonist), which we expect to be best-in-class GLP-1 drugs.

Shares of South Korean conglomerate **Samsung Electronics Co., Ltd.** decreased during the quarter due to concerns about a potential cyclical peak in DRAM and NAND prices. We are confident Samsung will remain a key beneficiary of long-term growth in semiconductor demand and a global leader in memory, 5G smartphones, and semiconductor foundry services.

Portfolio Structure

Table IV.
Top 10 holdings as of September 30, 2024 – Developed Countries

	Percent of Net Assets
Linde plc	3.0%
Arch Capital Group Ltd.	2.7
Constellation Software Inc.	2.7
argenx SE	2.6
Symrise AG	2.3
eDreams ODIGEO SA	2.3
DSM-Firmenich AG	2.3
AstraZeneca PLC	2.2
Experian plc	2.1
Industria de Diseno Textil, S.A.	2.1

Table V.
Top five holdings as of September 30, 2024 – Emerging Countries

	Percent of Net Assets
Taiwan Semiconductor Manufacturing Company Limited	3.2%
InPost S.A.	2.4
HD Korea Shipbuilding & Offshore Engineering Co., Ltd.	2.0
Trent Limited	2.0
Bharti Airtel Limited	1.6

Table VI.
Percentage of securities in Developed Markets as of September 30, 2024

	Percent of Net Assets
Japan	10.1%
United Kingdom	8.4
Netherlands	8.1
France	6.1
United States	4.5
Spain	4.3
Israel	4.1
Canada	3.9
Germany	2.8
Sweden	2.2
Switzerland	1.7
Denmark	1.7
Ireland	1.4
Australia	1.2
Hong Kong	0.9
Italy	0.7

Table VII.
Percentage of securities in Emerging Markets as of September 30, 2024

	Percent of Net Assets
India	10.5%
China	8.6
Korea	5.8
Taiwan	3.7
Poland	3.4
Brazil	2.1
Peru	0.9

The table above does not include the Fund's exposure to Russia (less than 0.1%) because the country falls outside of MSCI's developed/emerging/frontier framework.

Exposure by Market Cap: The Fund may invest in companies of any market capitalization, and we strive to maintain broad diversification by market cap. At the end of the third quarter of 2024, the Fund's median market cap was $20.7 billion. We were invested 68.6% in large- and giant-cap companies, 21.7% in mid-cap companies, and 7.0% in small- and micro-cap companies, as defined by Morningstar, with the remainder in cash.

Recent Activity

During the third quarter, we added a few new investments to existing themes and increased our weighting in certain positions established in prior periods. We endeavor to increase concentration in our highest conviction ideas.

We were most active in adding to our sustainability/ESG theme by initiating positions in **Lynas Rare Earths Limited** and **Contemporary Amperex Technology Co., Limited** (CATL). Lynas is an Australian rare earths mining company with production facilities in Australia, Malaysia, and the U.S. The company is a low-cost producer of rare earth minerals outside of China. Lynas' primary product is Neodymium ore (NdPr), which is a critical mineral for manufacturing high-performance magnets used in electric vehicle (EV) motors, wind turbines, industrial automation/robotics, and consumer electronics. In addition, other heavy rare earths mined by the company are also used in various defense applications. Today, China controls approximately two-thirds of rare earths mining and around 90% of global processed output. Lynas is one of two significant rare earth producers outside of China and is arguably the only player that has successfully vertically integrated downstream operations of rare earths at scale. Processing of rare earths outside of China has been challenging for many producers for years, and it remains one of the key bottlenecks in global efforts to reduce reliance on China's rare earth supply chain (we also consider Lynas a component of our global security theme). Lynas' rare earth processing experience and advanced technology is a key competitive advantage, in our view. We are bullish on NdPr prices in the medium term due to growing demand from EVs and wind turbines. In addition, we expect Lynas to grow production output from expansion of NdPr processing in Australia as well as the launch of a new Department of Defense (DoD) sponsored separation facility in Texas.

CATL, headquartered in China, is the world's largest manufacturer of rechargeable lithium-ion batteries for EVs and Energy Storage Systems (ESSs). The company is the global leader in the development of high energy density performance batteries with technology leadership in superfast charging, creating strong pricing power for its products. Adding to its competitive moat, CATL has a lower cost structure versus peers owing to its vast scale of operations (over 35% global market share in EV batteries), higher capacity utilization, and superior supply-chain management, including vertical integration of certain raw materials. In addition to its dominant positioning in China, the company also has a solid track record with global original equipment manfacturers (ex-China) including Tesla, BMW, Stellantis, and Mercedes and, in our view, is well positioned to gain market share in Europe with the buildout of local manufacturing facilities. We are bullish on growth for EV/ESS batteries and expect the company to deliver at least 20% compound earnings growth in the medium term, while maintaining industry leading return on equity and gross margins of 25%.

During the quarter, as part of our digitization theme, we re-initiated a position **Meituan**, China's largest food delivery platform with over 70% market share. Meituan also operates a leading super app for local services with over 700 million annual users. Built on millions of user-generated reviews, the company has become the go-to app for discovering local businesses such as restaurants and salons. In our view, Meituan is one of the most attractive food delivery businesses globally, given its massive scale (60 million daily delivery orders), strong competitive positioning, and solid operational track record. We expect its food delivery economics to continue improving over time, driven by rising ad revenue and lower user incentives. The company also operates a local services marketplace, monetizing primarily through commissions on in-store coupons, hotel bookings, and advertising. Contrary to consensus concerns regarding competition, our due diligence indicates competitive headwinds are likely to prove temporary as rivals increasingly focus on profitable growth, with Meituan retaining its industry dominance. We expect the company to deliver over 20% compound earnings growth over the next three to four years, with the potential for continued value creation thereafter.

Adding to our EM consumer theme, we initiated a position in **China Mengniu Dairy Co. Ltd.**, a leading player in China's dairy industry with strong brand recognition. As a vertically integrated dairy conglomerate, owning a substantial share of China's scaled dairy farms, Mengniu benefits from high barriers to entry. The liquid milk market in China has been under pressure for the past three years due to weak demand and an oversupply of raw milk. However, we expect raw milk prices to stabilize and recover from 2025 onwards, owing to upstream capacity rationalization. As a result, we anticipate competitive intensity to moderate as higher raw milk prices put smaller/regional players at a disadvantage versus larger, vertically integrated producers such as Mengniu. In such a scenario, we expect Mengniu to gain market share and benefit from rising downstream prices given its strong brand recall and ability to pass on inflation to the end customer. In our view, the extreme skepticism regarding Chinese consumer stocks created an attractive entry point, with Mengniu trading at a single-digit earnings multiple – the lowest valuation in its history – and offering a greater than 5% dividend yield at the time of our purchase. We expect Mengniu to continue outperforming the industry while enhancing shareholder returns.

We increased our exposure to several existing positions during the quarter, including **Pernod Ricard SA**, **Endava plc**, **Ajinomoto Co., Inc.**, **Localiza Rent a Car S.A.**, **Stevanato Group S.p.A**, **Alibaba Group Holding Limited**, **ODDITY Tech Ltd.**, and **JM Financial Limited.**

We exited several positions during the quarter consistent with our efforts to seek greater concentration in our higher conviction investments. Disposals included **PDD Holdings Inc.**, **Grupo Mexico, S.A.B. de C.V.**, **XP Inc.**, **Taboola.com Ltd.**, **Baidu, Inc.**, **Tata Communications Limited**, and **Aker Carbon Capture ASA.**

Outlook

For nearly a year, we have highlighted that in our opinion, the Fed's monetary policy was holding hostage the international economies where inflation had already been tamed, and by extension, where real interest rates were already too restrictive. In recent years, the U.S. became the epicenter of the inflation challenge, in our view by virtue of the much greater monetary and fiscal shock therapy administered by U.S. policymakers in the aftermath of the COVID pandemic. Unfortunately for such foreign jurisdictions, Fed tightening is a global, one-size-fits-all prescription. We have anticipated for some time that a mean-reverting international equity outperformance cycle was due, but that greater certainty regarding Fed easing and/or perhaps rate-normalization in Japan or a more forceful China stimulus would be the necessary catalysts to set such a cycle in motion. As anticipated in our previous letter, where we suggested that moderating U.S. economic and inflation trends would warrant Fed rate cuts sooner than later, we can finally say we have reached the elusive inflection point. As evidence, during the third quarter, the Fed cut its policy rate by a greater-than-expected 50 basis points, and ex-U.S. international equities appreciated 8.06% versus 5.89% for the S&P 500 Index, while EM equities rose 8.72%. Further, although lagging the S&P 500 Index year-to-date, the MSCI ACWI ex USA Index has just about kept pace with the equal-weighted S&P 500 Index, a measure that adjusts for the disproportionate impact of NVIDIA and other members of the *Magnificent Seven* on S&P 500 returns. With all three of the aforementioned catalysts now kicking in, we believe it is increasingly likely that a sustainable international and EM relative outperformance cycle has begun.

It appears that early in the quarter the Japanese yen finally bottomed after a 13-year bear market and a decline of over 50% versus the U.S. dollar. This bottom is confirmed in our view by the Bank of Japan's recent move to exit zero interest rate policy while further increasing its short-term policy rate by greater-than-market expectations. This signaling of monetary policy and interest rate normalization took markets by surprise, and triggered an abrupt "Japan carry-trade unwind," which sent shock waves throughout global capital markets beginning in July and continuing into August. In our view, this event has longer-lasting implications as Japanese institutions and retail investors will likely embark on a longer-term repatriation of assets back to the appreciating home currency, while global hedge funds, speculators, and investors are also likely to deleverage and reposition, which in our view collectively will favor previously underperforming assets such as international equities at the expense of the more over-owned Magnificent Seven and U.S. equities in general. For reference, it is estimated that Japanese institutions and retail investors hold over \$5 trillion in total foreign securities, with an estimated \$1.1 trillion in U.S. treasuries as well as a large exposure to U.S. equities. Foreigners in aggregate own over \$10 trillion, or roughly 18% of the \$55 trillion market cap of U.S. equities, and up from \$3.1 trillion when the yen last peaked in 2011. If, as we suspect, Japan repatriation has begun in earnest, this could likely trigger a broader tipping point in foreign ownership of U.S. equities, reversing a key trend that has been in place for over a decade.

Further supporting the outlook for international (and global) equities, late in the quarter China's policymakers also surprised markets with several fresh initiatives. First, on September 24, the People's Bank of China (PBOC) announced a significant step-up in economic support via a cut to the bank reserve requirement ratio and a simultaneous policy rate cut of 20 basis points (double the typical amount), with a rare public statement that more easing is to come. Additionally, for the first time ever, the PBOC set up a mechanism to directly support the equity markets including funding/lending for corporate buybacks – in effect, "stimulus with benefits" and enhanced governance for equity investors. Simultaneously, the Chinese banking regulator announced plans to recapitalize large state banks, addressing any capital/credit concerns and positioning the state banks to increase lending while also supporting property sector stabilization. Only two days later, the Politburo (the top leadership of the Communist Party) concluded a rare "surprise economic meeting," essentially projecting a sense of urgency, with official commentary confirming that economic recovery and the execution of pro-growth policy initiatives are now of the highest priority. The Politburo for the first time explicitly pledged to arrest the decline and foster stabilization of property prices while outlining several tools at their disposal to do so. In addition, and perhaps the most critical to many investors' assessment of the credibility of the communique, the Politburo mentioned consumption, confidence, and the welfare of Chinese households – alluding to forthcoming fiscal stimulus while also contrasting the exclusive supply-side emphasis of prior initiatives. Without question, this represents a new level of commitment on behalf of China's leadership, which in our view is more likely than not to improve consumer and business confidence while also enhancing forward-looking corporate earnings estimates. We have consistently communicated that while the long-term fundamental and the geopolitical environment vis-a-vis China have deteriorated, in our view such challenges were well discounted in equity prices, resulting in more upside potential than downside. Further, lack of traction on previously announced policy measures in our view raised the odds of triggering an "all-in" stimulus signal, which we believed at the time could drive 30% to 50% gains across many of our holdings if viewed as credible. As most China-related indices rallied roughly 20% in the final week of September, with private sector and growth-oriented individual equities up significantly more, we are heartened but also carefully monitoring valuations, as we suspect we have now traveled some portion of the way towards our assessment of fair value.

A word on the upcoming U.S. election. The U.S. election appears an almost dead heat at the writing of this letter, meaning investors cannot reasonably predict the outcome. While many have voiced concerns regarding election-related risks to non-U.S. equities, we have cautioned that many of these concerns have been known for some time and that after a multi-year, relative bear market, a lot is already discounted in the price. Further, while the likelihood and viability of a second Trump administration's tariff policy is difficult to predict, we submit that a Harris administration would nearly certainly be dollar bearish, while Trump has explicitly called for a weaker dollar and an easier Fed should he prevail. In our view, the U.S. dollar remains perhaps *the* critical variable in assessing the outlook for non-U.S. equity relative performance, and we reiterate that we believe a dollar bear market is likely already underway (good for non-U.S. performance). As such, while we certainly anticipate bouts of volatility heading into the election and its aftermath, we do not currently believe the outcome of this election should have a material or lasting effect on the intermediate or longer-term outlook for EM and international equities.

Thank you for investing in the Baron International Growth Fund.

Sincerely,

Michael Kass
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: Non-U.S. investments may involve additional risks to those inherent in U.S. investments, including exchange-rate fluctuations, political or economic instability, the imposition of exchange controls, expropriation, limited disclosure and illiquid markets. This may result in greater share price volatility. Securities of small and medium-sized companies may be thinly traded and more difficult to sell. Even though the Fund is diversified, it may establish significant positions where the Adviser has the greatest conviction. This could increase volatility of the Fund's returns.

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 manager 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 International Growth Fund by anyone in any jurisdiction where it would be unlawful under the laws of that jurisdiction to make such offer or solicitation.

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).

Dear Baron Real Estate Fund Shareholder:

Performance

Baron Real Estate Fund® (the Fund) generated strong performance in the third quarter of 2024, gaining 17.89% (Institutional Shares). The Fund outperformed both the MSCI US REIT Index (the REIT Index), which increased 15.79%, and the MSCI USA IMI Extended Real Estate Index (the MSCI Real Estate Index), which rose 15.61%.

Since inception on December 31, 2009 through September 30, 2024, the Fund's cumulative return of 605% was more than double that of the REIT Index, which increased 240%, and significantly higher than the MSCI Real Estate Index, which increased 414%.

The Fund has maintained its industry leading performance as of September 30, 2024. According to Morningstar, the Fund has achieved the following:

- **#1 real estate fund ranking for both its 10-year and 5-year performance periods**
- **#1 real estate fund ranking since the Fund's inception on December 31, 2009**
- **5-Star Overall Morningstar Rating™**

JEFFREY KOLITCH
PORTFOLIO MANAGER

Retail Shares: BREFX
Institutional Shares: BREIX
R6 Shares: BREUX

As of 9/30/2024, the Morningstar Real Estate Category consisted of 238, 229, 210, 152, and 169 share classes for the 1-, 3-, 5-, 10-year, and since inception (12/31/2009) periods. Morningstar ranked Baron Real Estate Fund Institutional Share Class in the 6th, 20th, 1st, 1st, and 1st percentiles, respectively. On an absolute basis, Morningstar ranked Baron Real Estate Fund Institutional Share Class as the 10th, 41st, 2nd, 2nd, and 2nd best performing share class in its Category, for the 1-, 3-, 5-, 10-year, and since inception periods, respectively.

As of 9/30/2024, Morningstar ranked Baron Real Estate Fund R6 Share Class in the 7th, 20th, 1st, 1st, and 1st percentiles for the 1-, 3-, 5-, 10-year, and since inception periods, respectively. On an absolute basis, Morningstar ranked Baron Real Estate Fund R6 Share Class as the 11th, 40th, 1st, 1st, and 1st best performing share class in its Category for the 1-, 3-, 5-, 10-year, and since inception periods, respectively.

Morningstar calculates the Morningstar Real Estate Category Average performance and rankings using its Fractional Weighting methodology. Morningstar rankings are based on total returns and do not include sales charges. Total returns do account for management, administrative, and 12b-1 fees and other costs automatically deducted from fund assets. Since inception rankings include all share classes of funds in the Morningstar Real Estate Category. Performance for all share classes date back to the inception date of the oldest share class of each fund based on Morningstar's performance calculation methodology.

Baron Real Estate Fund Institutional Share Class was rated 5 stars overall, 3 stars for the trailing 3 years, 5 stars for the trailing 5 years, and 5 stars for the trailing 10 years ended 9/30/2024. There were 229 share classes, 210 share classes, and 152 share classes in the 3-, 5- and 10-year periods. These Morningstar Ratings are for the Institutional share class only; other classes may have different performance characteristics.

The **Morningstar Rating™** for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

BARON FUNDS 1987

Table I.
Performance
Annualized for periods ended September 30, 2024

	Baron Real Estate Fund Retail Shares[1,2]	Baron Real Estate Fund Institutional Shares[1,2]	MSCI USA IMI Extended Real Estate Index[1]	MSCI US REIT Index[1]	S&P 500 Index[1]
Three Months[3]	17.83%	17.89%	15.61%	15.79%	5.89%
Nine Months[3]	15.72%	15.91%	18.25%	14.82%	22.08%
One Year	36.93%	37.27%	38.24%	32.74%	36.35%
Three Years	3.84%	4.11%	8.00%	3.73%	11.91%
Five Years	15.31%	15.61%	10.18%	4.24%	15.98%
Ten Years	10.68%	10.96%	10.19%	6.46%	13.38%
Since Inception (December 31, 2009) (Annualized)	13.87%	14.16%	11.74%	8.65%	13.95%
Since Inception (December 31, 2009) (Cumulative)[3]	579.30%	605.07%	414.26%	240.14%	586.15%

We will address the following topics in this letter:

- Our current top-of-mind thoughts
- Portfolio composition and key investment themes
- Top contributors and detractors to performance
- Recent activity
- Concluding thoughts on the prospects for real estate and the Fund

Our Current Top-of-Mind Thoughts

The key message from our second quarter shareholder letter was that we believed it was an attractive time to increase exposure to public real estate given our view of favorable valuations, expectations of Federal Reserve interest rate cuts, and generally solid, albeit slowing, business prospects. In the most recent quarter, the Fund increased 17.89%.

As we peer into the fourth quarter of 2024 and the full year 2025, we continue to believe now is an attractive time to invest in real estate.

BOTTOM LINE: WE REMAIN BULLISH.

Additional top-of-mind thoughts are as follows:

The dark clouds over real estate are lifting

For the last five years, real estate fears have been rampant. Concerns about COVID's negative impact on certain segments of real estate, sharply higher interest rates, bank failures, commercial real estate crisis fears, and recession concerns have cast a dark cloud over real estate.

We have been vocal for some time that real estate-related fears are exaggerated and hyperbole.

Now there is emerging evidence that the dark clouds over real estate are lifting, and brighter days are on the horizon.

- Business conditions, though moderating, are still growing and do not foretell a significant decline in growth.
- We continue to see attractive demand versus supply prospects. Vacancies are low, rents and home prices continue to increase albeit at a slower rate, and competitive new construction is modest for most commercial and residential sectors and geographic markets *(see below)*.
- Most balance sheets are in strong shape and real estate companies are refinancing at lower rates than last year.
- The banking system is well capitalized, with ample liquidity.
- Federal Reserve interest rate cuts bode well for real estate *(see below)*.
- Several public real estate companies have underperformed the S&P 500 Index since 2019, and we believe there is a "catch-up" opportunity.
- Much of public real estate has been repriced for a higher cost of capital, and valuations are now attractive *(see below)*.

Interest rate cuts bode well for real estate

Federal Reserve Chairman Jay Powell on September 18, 2024, said the following:

> *"We think that it's time to begin the process of **recalibrating** it (the federal funds rate) to a level that's more neutral, rather than restrictive."*

Performance listed in the above table is net of annual operating expenses. Annual expense ratio for the Retail Shares and Institutional Shares as of December 31, 2023 was 1.31% and 1.06%, 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 Adviser may waive or reimburse certain Fund expenses pursuant to a contract expiring on August 29, 2035, 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 BaronCapitalGroup.com or call 1-800-99-BARON.

1 The **MSCI USA IMI Extended Real Estate Index Net (USD)** is a custom index calculated by MSCI for, and as requested by, BAMCO, Inc. The index includes real estate and real estate-related GICS classification securities. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed or produced by MSCI. The **MSCI US REIT Index Net (USD)** is designed to measure the performance of all equity REITs in the U.S. equity market, except for specialty equity REITs that do not generate a majority of their revenue and income from real estate rental and leasing operations. The **S&P 500 Index** measures the performance of 500 widely held large-cap U.S. companies. MSCI is the source and owner of the trademarks, service marks and copyrights related to the MSCI Indexes. The MSCI Indexes and the Fund include reinvestment of dividends, net of foreign withholding taxes, while the S&P 500 Index includes reinvestment of dividends before taxes. Reinvestment of dividends positively impacts 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 Not annualized.

Jay Powell used the word "recalibrate" nine times following the Federal Reserve's decision to cut interest rates 50 basis points to signal, in our opinion, that more interest rate cuts are expected later in 2024, 2025, and perhaps after that. ***We believe a recalibration of interest rates to much lower levels will be bullish for real estate and the Fund.***

Lower borrowing costs and tighter credit spreads tend to:

- Support real estate valuations
- Reduce the weight of debt refinancings
- Reignite the real estate transaction market
- Instill more optimism in tenants about the prospects for their businesses
- Increase the attractiveness of REIT dividend yields compared with other debt and cash-equivalent securities

The Fund excelled during the two most recent interest rate cut periods. The Federal Reserve cut interest rates in both 2019 and 2020. The Fund gained more than 44% in both 2019 and 2020, far outdistancing the REIT Index in both years. We are optimistic the Fund will perform well, once again, during the recently initiated rate cut cycle.

The real estate recovery is likely to be faster than expected

In prior real estate cycles, a poorly timed combination of excessive use of debt and overbuilding of homes and commercial real estate (collectively the "*curses of real estate*"), led to real estate downturns that, in some cases, were severe.

- The 1980s saw a boom in commercial construction which led to a correction in the late 1980s and early 1990s.
- The rapid supply of newly built homes and the excessive use of subprime mortgages and lax lending standards led to the global financial crisis of 2007 and 2008.

Today, we believe the real estate market is much healthier than in prior real estate cycles and this important point is not widely appreciated.

- Healthy balance sheets: Most real estate balance sheets are in far better shape than in prior real estate cycles. Leverage levels, the use of fixed versus floating rate debt, and the staggering of debt maturities are far superior then in the past. For example, REIT leverage levels (net debt divided by cash flow) are approximately 5.5 times today versus more than 8.5 times during the global financial crisis of 2007 and 2008.
- Limited new construction: Over the last few years, the steep increase in land prices, labor costs, and material prices has curtailed commercial real estate development because, in most cases, new development has not been economical. Residential real estate also has a supply shortage. The U.S. is building a similar number of homes and apartments today as it did 60 years ago – approximately 1.5 million homes – despite the fact that the U.S. population is approximately 340 million people versus 180 million 60 years ago!
- High occupancy levels: Several real estate categories have occupancy levels above 90% including apartments, industrial warehouses, single-family rental homes, manufactured housing, and others.

Relative to prior real estate cycles, which were burdened with excessive debt and an overbuilding of real estate, today's healthier balance sheets, limited supply of residential and commercial real estate, and high occupancy levels should lead to better-than-expected rent growth, home price appreciation, and cash flow generation in the years ahead.

There are compelling valuations in public real estate

Several real estate segments and individual companies remain attractively valued despite recent share price appreciation. A few examples include:

- REITs: *Green Street Advisors*, a highly regarded real estate and REIT research company, noted in a report published on September 25, 2024, that the historic underperformance of REITs versus the S&P 500 Index is near the highest levels in the last 20 years. Green Street also believes that REIT valuations are cheap versus the S&P 500 and several years of strong REIT returns (or S&P 500 underperformance) would be required to close the valuation gap. We agree with Green Street's observations. We believe several REIT categories are attractively valued including hotel, office, retail, and other individual REITs.
- Homebuilders: Despite strong performance over last few years, homebuilding companies are still valued at less than half the price to earnings (P/E) multiple of the S&P 500 Index (P/E of 10 times versus nearly 22 times). We believe there is a compelling case for a favorable paradigm shift higher in homebuilder P/E multiples. The strategic pivot by several homebuilders to a more land-light business model, the utilization of lower leverage, improved capital allocation, and the prioritization of scale advantages could lead to higher valuations for homebuilders over time. Further, despite several black swan events – COVID-19, a sharp increase in mortgage rates from 3% to 7%, and supply-chain disruptions – public homebuilders have managed their businesses exceptionally well and demonstrated that the demand to buy homes is resilient.
- Casino gaming companies: Several casino gaming companies are valued at or near trough valuation levels and offer compelling return prospects over the next few years including **MGM Resorts International**, **Caesars Entertainment, Inc.**, **Las Vegas Sands Corporation**, and others.
- Additional examples of attractively valued non-REIT real estate categories: We believe certain residential-related building product/services companies, commercial real estate services companies, and other non-REIT real estate companies offer compelling share price appreciation potential the next few years.
- A few examples of attractively valued real estate companies:
  - **Brookfield Corporation:** The recent share price of this best-in-class real asset-related alternative asset manager is only $53 and compares favorably to management's estimate of its current net asset value of $84 and its expectation of $176 in five years.
  - **GDS Holdings Limited:** At its recent price of $20, the company's China data center business is valued at less than 10 times cash flow versus global data center peers that are valued at more than 20 times cash flow. We believe the shares may appreciate by more than 100% in the next three to four years.
  - **CoStar Group, Inc.:** At its recent price of $75, we believe that shares of CoStar, the global leader in digitizing real estate, are trading at a 20% to 30% discount to the current value of the company's non-residential businesses, which we believe will be worth almost $200 over the next four to five years. We believe that CoStar's aggressive expansion into the residential marketplace represents significant upside optionality if it proves successful.

We believe the Baron Real Estate Fund is a compelling mutual fund option

We continue to believe the benefits of the Fund's flexible approach, which allows us to invest in a broad array of real estate companies including REITs and non-REIT real estate-related companies, will shine even brighter in the years ahead, in part due to the rapidly changing real estate landscape which, in our opinion, requires more discerning analysis.

Portfolio Composition and Key Investment Themes

We currently have investments in REITs, plus seven additional non-REIT real estate-related categories. Our percentage allocations to these categories vary, and they are based on our research and assessment of opportunities in each category on a bottom-up basis (See Table II below).

Table II.
Fund investments in real estate-related categories as of September 30, 2024

		Percent of Net Assets (%)
REITs		27.9
Non-REITs		71.1
Homebuilders & Land Developers	18.9%	
Building Products/Services	14.1	
Real Estate Operating Companies	10.1	
Real Estate Service Companies	10.1	
Casinos & Gaming Operators	8.8	
Hotels & Leisure	5.2	
Data Centers	3.8	
Cash and Cash Equivalents		1.0
Total		**100.0***

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

Investment Themes

We continue to prioritize seven long-term high-conviction investment themes or real estate categories:

1. REITs
2. Residential-related real estate
3. Travel-related real estate
4. Real asset-focused alternative asset managers
5. Commercial real estate services companies
6. Property technology companies
7. Data center operators

REITs

Business fundamentals are generally solid. Limited new competitive supply is forecast in the next few years. Most balance sheets are in good shape. Several REITs benefit from some combination of all or some of the following favorable characteristics including inflation-protection, contracted cash flows, and an ability to increase dividends. We are identifying several REITs that are cheap relative to history and private market valuations. REIT share price performance has historically benefited from an accommodative pivot in central bank monetary policy.

As of September 30, 2024, we had investments in nine REIT categories representing 27.9% of the Fund's net assets. Please see Table III below.

Table III.
REITs as of September 30, 2024

	Percent of Net Assets (%)
Data Center REITs	9.9
Health Care REITs	3.7
Industrial REITs	3.7
Multi-Family REITs	3.3
Office REITs	2.7
Wireless Tower REITs	1.7
Single-Family Rental REITs	1.3
Mall REITs	0.9
Other REITs	0.6
Total	**27.9***

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

Residential-related real estate

A multi-decade structural underinvestment in the construction of residential real estate relative to the demographic needs of our country bodes well for long-term housing construction activity, sales, rentals, pricing, and repair and remodel activity. Cyclical tailwinds (pent-up demand, low inventory levels, and a still healthy consumer) and secular tailwinds (flexible work arrangements that favor suburban living, a desire to own newly built homes rather than existing homes which, on average, are more than 40 years old, and the lock-in effect for existing homeowners to remain in their homes due to the move higher in mortgage rates) should aid the new home market for several years. The strategic pivot by several homebuilders to a more land-light business model, the utilization of lower leverage, improved capital allocation, and the prioritization of scale advantages may lead to higher valuations for homebuilders over time.

As of September 30, 2024, residential-related real estate companies represented 33.1% of the Fund's net assets. Please see Table IV below.

Table IV.
Residential-related real estate companies as of September 30, 2024

	Percent of Net Assets (%)
Homebuilders	17.6
Building Products/Services	12.1
Home Centers	3.4
Total	**33.1[1]***

[1] Total would be 34.3% if included residential-related housing REIT Invitation Homes, Inc.
* *Individual weights may not sum to the displayed total due to rounding.*

Travel-related real estate

Several factors are likely to contribute to multi-year tailwinds for travel-related real estate companies including a favorable shift in consumer preferences (demand for experiences/services such as travel over goods), a growing middle class, and other encouraging demographic trends (more disposable income for the millennial cohort due to delays in household formation and work-from-home arrangements which allow for an increase in travel bookings); healthy balance sheets; and private equity's long history of investing in travel-related companies.

As of September 30, 2024, travel-related real estate companies represented 14.0% of the Fund's net assets. Please see Table V below.

Table V.
Travel-related real estate as of September 30, 2024

	Percent of Net Assets (%)
Casinos & Gaming Operators	8.8
Hotels	5.2
Total	**14.0***

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

Real estate-focused alternative asset managers

Leading real estate-focused asset managers **Blackstone Inc.** and **Brookfield Corporation** have an opportunity to increase market share due to impressive investment track records and global scale advantages. They are also positioned to benefit from a secular growth opportunity for alternative assets due to long track records of generating attractive relative and absolute returns with less volatility than several other investment options.

Commercial real estate services companies

Leading commercial real estate services companies **CBRE Group, Inc.** and **Jones Lang LaSalle Incorporated** should benefit from structural and secular tailwinds: the outsourcing of commercial real estate, the institutionalization of commercial real estate, and opportunities to increase market share in a highly fragmented market.

Data center operators

In the most recent quarter, we acquired additional shares in data center operator, **GDS Holdings Limited**. We believe the shares are attractively valued and offer compelling long-term growth prospects. Please see "Top contributors to performance for the quarter ended September 30, 2024" for more on GDS.

Property technology companies

The collision of real estate and technology has led to a new category within real estate–real estate technology, also referred to as *proptech*. The emergence of proptech and the digitization of real estate is an exciting and promising new development for real estate. We believe we are in the early innings of a technology-driven investment cycle centered on data and digitization that allows real estate-related businesses to drive incremental revenue streams and lower costs.

CoStar Group, Inc., the leading provider of information, analytics, and marketing services to the real estate industry, is well positioned to capitalize on this burgeoning secular growth trend.

As of September 30, 2024, other real estate-related companies (which includes the four investment themes mentioned directly above) represented 24.0% of the Fund's net assets. Please see Table VI below.

Table VI.
Other real estate-related companies as of September 30, 2024

	Percent of Net Assets (%)
Real Estate-Focused Alternative Asset Managers	10.1
Commercial Real Estate Services Companies	8.0
Data Center Operators	3.8
Property Technology Companies	2.1
Total	**24.0***

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

Top Contributors and Detractors to Performance

Table VII.
Top contributors to performance for the quarter ended September 30, 2024

	Quarter End Market Cap ($ billions)	Contribution to Return (%)
Toll Brothers, Inc.	15.6	1.94
D.R. Horton, Inc.	62.2	1.85
GDS Holdings Limited	4.0	1.74
Lennar Corporation	51.0	1.49
CBRE Group, Inc.	38.1	1.23

The shares of homebuilders **Toll Brothers, Inc.**, **D.R. Horton, Inc.**, and **Lennar Corporation** increased sharply in the third quarter due to strong quarterly results, optimistic management commentary about future business prospects, and expectations that the Federal Reserve would lower interest rates which would ultimately improve home affordability and increase home buyer demand.

We believe the prospects for the Fund's homebuilder companies remain promising due to:

- The multi-decade structural underinvestment in the construction of residential real estate relative to the demographic needs of our country which bodes well for new home sales.
- Cyclical tailwinds (pent-up demand, low inventory levels, and a still healthy consumer).
- Secular tailwinds (flexible work arrangements that favor suburban living, a desire to own newly built homes rather than existing homes which, on average, are more than 40 years old, and the lock-in effect for existing homeowners to remain in their homes due to the move higher in mortgage rates).
- The strategic pivot by several homebuilders to a more land-light business model, the utilization of lower leverage, improved capital allocation, and the prioritization of scale advantages may lead to higher valuations for homebuilders over time.

Shares of **GDS Holdings Limited** appreciated significantly during the quarter. We were encouraged by several fundamental updates and recently met with CEO/founder William Huang and CFO Daniel Newman in our offices.

We remain optimistic about the company's growth prospects over the next several years, which can be bucketed into: i) its Asia ex-China data center business (GDS International or GDSI); and ii) its mainland China data center business (GDS Holdings or GDSH).

***Bottom line*:** We see a path for the business to be worth $46 to $56 a share in two to three years versus approximately $20 at the recent market price.

- **GDS International (Asia ex-China):** We see cash flow for GDSI growing from less than $50 million today to over $500 million over the next three years! We value GDS' ownership stake at $16 per share after accounting for the growth capital it has secured from renowned U.S. and global investors. Blackstone's recent $16 billion acquisition of Southeast Asia based data center operator AirTrunk at 25 times cash flow is still at a substantial premium to where GDS is raising growth capital today, which provides an important valuation marker for a potential IPO of this business over the next 12 to 15 months.
- **GDS Holdings (China):** We believe the China data center business is at the doorstep of a growth inflection and see cash flow growing from about $700 million today to $1 billion over the next three years. We value the China business at $30 to $40 a share on what we believe is a conservative cash flow multiple and remain encouraged that there will be several catalysts to further surface value (e.g., a transaction to place certain stabilized assets into a listed REIT vehicle).

Table VIII.
Top detractors from performance for the quarter ended September 30, 2024

	Quarter End Market Cap or Market Cap When Sold ($ billions)	Contribution to Return (%)
MGM Resorts International	11.9	-0.54
Wynn Resorts, Limited	8.6	-0.38
Martin Marietta Materials, Inc.	32.9	-0.09
Invitation Homes, Inc.	21.6	-0.06
Janus International Group, Inc.	1.6	-0.05

The shares of **MGM Resorts International**, a global casino and entertainment company that has properties in Las Vegas, high-end U.S. regional destinations, and Macau, declined in the most recent quarter due to concerns that near-term growth in its business will disappoint. At its recent price of only $39 per share, we believe these concerns are largely reflected in MGM's share price. Our $57 per share estimate of the company's sum-of-the-parts value represents 46% upside from its current price.

The shares of **Wynn Resorts, Limited**, an owner and operator of hotels an casino resorts, detracted from performance in part due to the disappointing recovery in business in Macau. The shares rebounded late in the third quarter in response to monetary and fiscal stimulus from the Chinese government. We chose to exit the Fund's investment in Wynn and reallocated the capital to other investments that we believe offer superior performance prospects over the next few years.

In the third quarter, the shares of **Martin Marietta Materials, Inc.**, a leading producer of aggregates (77% of gross profit) and specialty products, lagged in part due to wet weather which delayed work and likely negatively impacted mid-year aggregate price increases. Further, growing delays of non-residential activity may continue to limit volume growth. Though we remain optimistic about the multi-year growth prospects for the company, we trimmed a portion of the Fund's holdings in Martin Marietta and may look for an opportunity to acquire additional shares at a later date.

Recent Activity

Table IX.
Top net purchases for the quarter ended September 30, 2024

	Quarter End Market Cap ($ billions)	Net Amount Purchased ($ millions)
Caesars Entertainment, Inc.	9.0	54.3
Vornado Realty Trust	7.5	48.9
Equinix, Inc.	84.3	32.7
GDS Holdings Limited	4.0	31.1
Brookfield Corporation	87.3	30.3

In the most recent quarter, we acquired shares in **Caesars Entertainment, Inc.**, the largest casino-entertainment company in the U.S. and one of the world's most diversified casino-entertainment providers. We are big fans of CEO Tom Reeg and remain optimistic about the long-term prospects for the company.

The company operates primarily under the Caesars, Harrah's, Horseshoe, and Eldorado brand names. The company generates approximately 50% of its cash flow from Las Vegas and 50% of its cash flow from regional destination markets. The company owns approximately half of its real estate and leases the other half from gaming REIT companies – Gaming and Leisure Properties, Inc. and VICI Properties Inc.

We believe currently soft business conditions are reflected in the company's valuation. At its recent price of only $42 per share, the shares are highly discounted at only 8 times enterprise value to cash flow, a mid-teens free cash flow yield, and our assessment of fair value of more than $70 per share or more than 65% above its current price.

Further, we remain optimistic about the long-term prospects for Caesars for the following reasons:

- We are optimistic about the long-term prospects for Las Vegas and Las Vegas represents approximately 50% of Caesars' cash flow. We believe that Las Vegas has structurally changed and has a year-round business and event calendar that has effectively eliminated off-peak months or lulls in business activity.
- Management remains focused on improving its balance sheet and believes there is a path to lowering its current lease-adjusted net debt to cash flow from approximately 5.5 times to less than 4 times through cash flow generated from asset sales and the company's business operations.
- The company has an online sports betting and casino business that management believes will turn profitable and generate more than $500 million of cash flow by 2025.
- Additional positive catalysts could propel the shares higher including capital expenditures and cash interest expense, both of which have peaked, will decline in 2025, and will lead to additional cash flow

generation. Further, Caesar's plans to sell non-core real estate assets and acquire shares in its highly discounted stock.

During the third quarter we initiated a position in **Vornado Realty Trust**, a REIT that owns a portfolio of premier office and street retail properties concentrated in New York City. The company also owns a small portfolio of apartment units in NYC and two iconic commercial properties in Chicago (the Mart) and San Francisco (555 California Street).

While we have remained generally cautious on office real estate for several years in light of both cyclical and secular headwinds that we expected would persist, we also have acknowledged that certain well-located, modern office properties were poised to gain market share and outperform as market conditions improved. We would categorize Vornado's portfolio as falling into the latter bucket.

We are optimistic about our investment in Vornado for several reasons:

1. We have begun to see several encouraging signs that lead us to believe that office fundamentals are bottoming and beginning to improve in several markets, most notably New York City. These signs include stable or rising utilization of office space, strong and broad leasing activity and tenant interest, more confident corporate decision making, and stabilizing market rents and concessions. We think Vornado CEO Steve Roth framed it well with his comments during the company's second quarter earnings call in August:

   > "After a difficult four or so years, market dynamics are now reversing and growing constructive. There is no new supply on the horizon, tenants are growing and expanding and searching for space. And New York continues to be the single best market in the nation."

2. Prospects appear bright for Vornado's recently completed PENN 2 redevelopment project (total cost $850 million), as management recently noted a significant pick up in tenant tour activity and proposals in recent months at rents consistent with their underwriting. The lease-up of this property is expected to contribute meaningfully to cash flow growth over the next several years and improve tenant interest in the Penn District more broadly, where Vornado has a leadership position.

3. Management has also noted a pickup in buyer interest for its best-in-class street retail properties in New York City (17% of total cash flow) and recently sold one property at a premium valuation. Management believes valuations for many of their retail properties are back to or in excess of 2019 levels and that additional property sales may occur.

4. Vornado is well positioned to capitalize on any distressed real estate opportunities that may arise given its strong balance sheet and liquidity position.

5. Though Vornado's stock has appreciated significantly since we first began acquiring shares, we still think Vornado's valuation remains untethered from the private market value of its real estate portfolio. We also observe that Vornado's stock trades at a meaningful and unwarranted discount relative to certain publicly traded REIT peers.

In the most recent quarter, we acquired additional shares of **Equinix, Inc.**, the premier global operator of network-dense, carrier-neutral data centers. We continue to be optimistic about the long-term growth prospects for the company due to its interconnection focus among a highly curated customer ecosystem, irreplaceable global footprint, strong demand and pricing power, favorable supply backdrop and evolving incremental demand vectors such as AI. The company has multiple levers to drive outsized bottom-line growth with operating leverage. Equinix should compound its earnings per share at approximately 10% over the next few years and we believe the prospects for outsized shareholder returns remain compelling from here given the superior secular growth prospects combined with a discounted valuation.

Stepping back, we believe the multi-year prospects for real estate data centers are highly compelling – perhaps as strong as they have ever been.

Data center landlords such as Equinix and **Digital Realty Trust, Inc.** are benefiting from record low vacancy, demand outpacing supply, more constrained power availability, and rising rental rates. Several secular demand vectors, which are currently broadening, are contributing to robust fundamentals for data center space globally. They include the outsourcing of information technology infrastructure, increased cloud computing adoption, the ongoing growth in mobile data and internet traffic, and AI as a new wave of data center demand. Put simply, each year data continues to grow exponentially, and all of this data needs to be processed, transmitted, and stored – supporting increased demand for data center space. In addition, while it is still early innings, we believe AI could not only provide a source of incremental demand but also further accelerate existing secular trends by driving increased prioritization and additional investment in digital transformation among enterprises.

Table X.
Top net sales for the quarter ended September 30, 2024

	Quarter End Market Cap or Market Cap When Sold ($ billions)	Net Amount Sold ($ millions)
American Tower Corporation	108.6	60.2
Wynn Resorts, Limited	8.6	47.0
Equity Residential	28.2	37.4
Martin Marietta Materials, Inc.	32.9	29.8
AvalonBay Communities, Inc.	32.0	24.9

We reduced our position in **American Tower Corporation** during the quarter after outsized absolute and relative performance and the company's execution on several key milestones, which investors began to recognize and led to what we perceive to be a fair valuation level. We recycled capital into several other new ideas with what we believe are more compelling risk/reward opportunities. Nonetheless, our fundamental conviction regarding the secular growth of mobile data, evolving network needs, and the idiosyncratic growth prospects for American Tower remain unchanged and may look to acquire additional shares in the future.

As noted earlier, we chose to exit the Fund's investment in **Wynn Resorts, Limited**, an owner and operator of hotels and casino resorts, and reallocate the capital to other real estate-related investments that we believe offer superior performance prospects the next few years.

Shares of **Equity Residential** performed well during the quarter. We reduced our position due to less attractive return prospects for the shares over the medium term as our investment underwriting was pulled forward combined with a fair current valuation level. As we have previously written, we remain optimistic about the prospects for rental housing over the next several years due to favorable supply/demand dynamics and attractive renter income demographics. We continue to hold the management team at Equity Residential in high regard and are optimistic about the fundamental growth prospects for its curated rental housing portfolio in high barrier to entry coastal markets over the next several years.

Concluding Thoughts on the Prospects for Real Estate and the Fund

As noted earlier, we believe many of the real estate-related challenges of the last few years are subsiding and brighter prospects for real estate are on the horizon. We remain optimistic about the prospects for the Fund with a two- to three-year view.

We believe we have assembled a portfolio of best-in-class competitively advantaged real estate companies with compelling long-term growth and share price appreciation potential. We have structured the Fund to capitalize on high-conviction investment themes.

We continue to believe the benefits of our flexible approach, which allows us to invest in a broad array of real estate companies including REITs and non-REIT real estate-related companies, will shine even brighter in the years ahead, in part due to the rapidly changing real estate landscape which, in our opinion, requires more discerning analysis.

I would like to congratulate David Kirshenbaum who was recently appointed assistant portfolio manager of our Baron Real Estate Fund. David was previously named the assistant portfolio manager of Baron Real Estate Income Fund in 2018. David has made a significant and consistent contribution to the success of our real estate franchise and his appointment is a well-deserved promotion.

I would also like to thank the other core members of our real estate team – George Taras, David Baron, and David Berk – for their ongoing outstanding work, dedication, and partnership.

Table XI.
Top 10 holdings as of September 30, 2024

	Quarter End Market Cap ($ billions)	Quarter End Investment Value ($ millions)	Percent of Net Assets (%)
Equinix, Inc.	84.3	137.4	6.4
Toll Brothers, Inc.	15.6	131.9	6.1
Lennar Corporation	51.0	126.4	5.9
D.R. Horton, Inc.	62.2	121.4	5.6
Blackstone Inc.	187.0	94.7	4.4
CBRE Group, Inc.	38.1	89.3	4.1
Jones Lang LaSalle Incorporated	12.8	83.5	3.9
GDS Holdings Limited	4.0	82.2	3.8
Welltower Inc.	78.0	80.2	3.7
Brookfield Corporation	87.3	78.6	3.6

I, and our team, remain fully committed to doing our best to deliver outstanding long-term results, and I proudly continue as a major shareholder, alongside you.

Sincerely,

Jeffrey Kolitch
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 Baron CapitalGroup.com. Please read them carefully before investing.

Risks: In addition to general market conditions, the value of the Fund will be affected by the strength of the real estate markets as well as by interest rate fluctuations, credit risk, environmental issues and economic conditions. The Fund invests in companies of all sizes, including small and medium sized companies whose securities may be thinly traded and 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.

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 Real Estate Fund by anyone in any jurisdiction where it would be unlawful under the laws of that jurisdiction to make such an 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. **Price/Earnings Ratio or P/E (next 12-months)**: is a valuation ratio of a company's current share price compared to its mean forecasted 4 quarter sum earnings per share over the next twelve months. If a company's EPS estimate is negative, it is excluded from the portfolio-level calculation. **Enterprise Value (EV)** is a measure of a company's total value, often used as a more comprehensive alternative to equity market capitalization. EV includes in its calculation the market capitalization of a company but also short-term and long-term debt as well as any cash on the company's balance sheet. **Free Cash Flow Yield** is a financial solvency ratio that compares the free cash flow per share a company is expected to earn against its market value per share.

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).

Dear Baron Emerging Markets Fund Shareholder:

Performance

Baron Emerging Markets Fund® (the Fund) gained 9.07% (Institutional Shares) during the third quarter of 2024, while its primary benchmark index, the MSCI Emerging Markets Index (the Benchmark), was up 8.72%. The MSCI Emerging Markets IMI Growth Index (the Proxy Benchmark) gained 8.65% for the quarter. The Fund modestly outperformed both the Benchmark and the Proxy Benchmark during a solid quarter for global equity returns. The Fund more materially outperformed its peers and is now in the top quartile of performance for the year-to-date period.

While the seminal event during the third quarter was the U.S. Federal Reserve's (the Fed) 50 basis point rate cut, marking the beginning of a long-awaited easing cycle, we would argue that the nearly simultaneous emergence of two additional catalysts have markedly increased the likelihood that we have now entered a sustainable and mean-reverting outperformance phase for emerging market (EM) and international equities. The first was Japan's exit from zero interest rate policy, signaling interest rate and monetary policy normalization and a bottom to the 13-year bear market in the Japanese yen, which we believe will likely provoke a longer-term inflection point in global capital flows away from over-owned U.S. assets and in the direction of non-U.S. bonds and equities. Second was the comprehensive and unexpected pivot in monetary and fiscal stimulus intensity announced in late September by Chinese authorities, finally projecting a sense of urgency and commitment regarding economic recovery and property market stabilization, while clearly prioritizing the execution of pro-growth policy initiatives. In response to the above, EM and international equities both markedly outperformed the S&P 500 Index during the third quarter, while the Benchmark has returned an impressive 15.44% since the mid-April peak in inflation expectations. We remain optimistic that even after the recent rally, EM equities offer an attractive long-term entry point, with valuations and relative earnings expectations still near multi-decade lows and investor skepticism remaining quite high. As always, we are confident that our diversified portfolio of well-positioned and well-managed companies can execute on their potential over the coming years.

MICHAEL KASS

PORTFOLIO MANAGER

Retail Shares: BEXFX
Institutional Shares: BEXIX
R6 Shares: BEXUX

Table I.
Performance
Annualized for periods ended September 30, 2024

	Baron Emerging Markets Fund Retail Shares[1,2]	Baron Emerging Markets Fund Institutional Shares[1,2]	MSCI Emerging Markets Index[1]	MSCI Emerging Markets IMI Growth Index[1]
Three Months[3]	9.00%	9.07%	8.72%	8.65%
Nine Months[3]	16.20%	16.46%	16.86%	17.48%
One Year	24.10%	24.39%	26.05%	26.55%
Three Years	(3.81)%	(3.54)%	0.40%	(1.62)%
Five Years	4.18%	4.46%	5.75%	6.23%
Ten Years	3.43%	3.70%	4.02%	4.80%
Since Inception (December 31, 2010)	3.89%	4.15%	2.62%	3.44%

Performance listed in the above table is net of annual operating expenses. Annual expense ratio for the Retail Shares and Institutional Shares as of December 31, 2023 was 1.37% and 1.11%, 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 Adviser may waive or reimburse certain Fund expenses pursuant to a contract expiring on August 29, 2035, 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 BaronCapitalGroup.com or call 1-800-99-BARON.

1 The **MSCI Emerging Markets Index Net (USD)** is designed to measure equity market performance of large and mid-cap securities across 24 Emerging Markets countries. The **MSCI Emerging Markets IMI Growth Index Net (USD)** is a free float-adjusted market capitalization index designed to measure equity market performance of large, mid and small-cap securities exhibiting overall growth characteristics across 24 Emerging Markets countries. MSCI is the source and owner of the trademarks, service marks and copyrights related to the MSCI Indexes. The indexes and the Fund include reinvestment of dividends, net of foreign withholding taxes, which positively impact the performance results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly in an index.

2 The performance data does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares.

3 Not annualized.

For the third quarter of 2024, we modestly outperformed the Benchmark as well as our all-cap EM growth Proxy Benchmark. From a sector or theme perspective, strong stock selection in the Industrials sector, largely driven by investments in our sustainability/ESG theme (**HD Korea Shipbuilding & Offshore Engineering Co., Ltd.**, **Contemporary Amperex Technology Co., Limited**, **Techtronic Industries Co. Ltd.**, and **HD Hyundai Heavy Industries Co., Ltd.**), powered the majority of relative outperformance this quarter. In addition, favorable stock selection in the Financials sector, owing to our India wealth management/consumer finance related holdings (**JM Financial Limited**, **SBI Life Insurance Company Limited** and **Nuvama Wealth Management Limited**), was also a notable contributor to relative results. Lastly, our underweight positioning in the Information Technology sector, which was the worst performing sector in the Benchmark during the quarter, also bolstered relative performance. Largely offsetting the above was negative allocation effect together with adverse stock selection in the Health Care sector, primarily attributable to select positions across our global security/supply–chain diversification and China value-added themes (**Samsung Biologics Co., Ltd.** and **Shenzhen Mindray Bio-Medical Electronics Co., Ltd.**). Adverse stock selection across multiple themes in the Materials (**Aarti Industries Limited**, **Suzano S.A.**, **Gold Fields Limited**, **Grupo Mexico, S.A.B. de C.V.**, and **SRF Limited**) and Consumer Staples (**Wal-Mart de Mexico, S.A.B. de C.V.**, **Dino Polska S.A.**, and **Godrej Consumer Products Limited**) sectors also weighed on relative performance.

From a country perspective, solid stock selection in India was the largest contributor to relative performance this quarter. Within India, besides the above-mentioned holdings, another standout contributor was **Trent Limited**, a leading, high growth, fast fashion apparel retailer that we internally refer to as the "Zara of India."

Trent, in our view, has been one of the most misunderstood stocks in India that has seen consensus earnings upgrades of above 100% over the past 12 months. Solid stock selection in Korea, driven by our sustainability/ESG-related investments as mentioned above, and our underweight positioning in Taiwan were also notable contributors to relative results during the quarter. Largely offsetting the above was adverse stock selection effect in China, which occurred prior to the September rally in China-based equities, as well as modest negative allocation effect given our underweight position. Late in the quarter, in a surprise move, China announced significant monetary and fiscal stimulus measures to combat a deteriorating property sector and associated broad economic slowdown. As a result, Chinese equities, especially index heavyweight and mega-cap stocks, experienced a significant repricing in a matter of days. We are encouraged by the recent measures and are closely monitoring conditions for signs of improving consumer confidence and positive impact, as we anticipate a broadening of the rally which would benefit the secondary private sector growth stocks which often lag in the initial stages of major inflection points.

Table II.
Top contributors to performance for the quarter ended September 30, 2024

	Contribution to Return (%)
Alibaba Group Holding Limited	0.94
Swiggy Limited	0.75
Trent Limited	0.71
Tencent Holdings Limited	0.68
HD Korea Shipbuilding & Offshore Engineering Co., Ltd.	0.61

Alibaba Group Holding Limited is the largest retailer and e-commerce company in China. Alibaba operates shopping platforms Taobao and Tmall, as well as businesses in logistics, local services, digital media, and cloud. Shares were up this quarter, particularly as Chinese policymakers pushed a broad stimulus package and appeared ready to take additional steps to bolster economic activity as needed. Quarterly financial results were roughly in line with expectations, with notable strength in profitability. Domestic competition in core e-commerce remains high, although Pinduoduo, a major competitor, appeared to take a step back in its quarterly earnings call. We retain conviction that Alibaba is well positioned to benefit from China's reopening and the ongoing growth in online commerce and cloud in China, although competitive market concerns remain.

Swiggy Limited is a leading food delivery platform in India with roughly 45% market share. Shares rose on increasing penetration of food delivery and improving profitability. We retain conviction in Swiggy as we believe India's food delivery industry is still in its infancy and will continue to scale over the next several years, driven by a growing middle class, rising disposable income, higher smartphone penetration, and a structural shift in consumer preference to a tech savvy younger population.

Trent Limited is a leading retailer in India that sells direct-to-consumer private label apparel through its proprietary retail network. Shares were up on better-than-expected quarterly sales performance as well as the continued expansion of its Zudio value fashion franchise. We believe the company will generate over 25% revenue growth in the near-to-medium term, driven by same-store-sales growth and outlet expansion. In addition, we believe improved operating leverage and a growing franchisee mix will lead to increased profitability and return on capital, driving an EBITDA CAGR of more than 30% over the next three to five years.

Table III.
Top detractors from performance for the quarter ended September 30, 2024

	Contribution to Return (%)
Samsung Electronics Co., Ltd.	-0.93
SK hynix Inc.	-0.41
PDD Holdings Inc.	-0.27
Reliance Industries Limited	-0.14
Wal-Mart de Mexico, S.A.B. de C.V.	-0.12

Shares of South Korean conglomerate **Samsung Electronics Co., Ltd.** decreased during the quarter due to concerns about a potential cyclical peak in DRAM and NAND prices. We are confident Samsung will remain a key beneficiary of long-term growth in semiconductor demand and a global leader in memory, 5G smartphones, and semiconductor foundry services.

After a strong start to the year, shares of **SK hynix Inc.**, a South Korean memory semiconductor company, partially retraced gains due to concerns about a potential decline in DRAM and NAND prices. Despite short-term cyclical pressure, we believe the memory industry is on the cusp of a multi-year growth phase, enjoying structural demand growth as servers, smartphones, PCs, and other devices become ever more computationally intensive. We also believe SK hynix will remain a key beneficiary of surging AI-driven demand for high-bandwidth memory (HBM), which uses advanced packaging to vertically stack DRAM chips, resulting in higher bandwidth and improved power efficiency. We expect the company to remain the industry leader in cutting-edge HBM and generate robust earnings growth over the next several years.

PDD Holdings Inc. operates China's second-largest e-commerce platform and the growing cross-border shopping platform Temu. Shares experienced a notable decline after management's remarks during a recent earnings call. While PDD's Q2 results showed a slight revenue miss, profitability remained solid, and the company continued to outperform its peers. However, the market was taken aback by the unconventional tone of the call, where management expressed a surprisingly bearish outlook on future profitability, proposed strategies that appeared misaligned with broader industry trends, and reiterated their decision to withhold shareholder returns despite a strong net cash position and Temu's improving financials. These developments raised concerns about a potential misalignment between management and shareholder interests, prompting us to reduce our position due to increased corporate governance risks.

Portfolio Structure

Table IV.
Top 10 holdings as of September 30, 2024

	Percent of Net Assets (%)
Taiwan Semiconductor Manufacturing Company Limited	9.0
Tencent Holdings Limited	4.3
Bundl Technologies Private Limited	3.2
Alibaba Group Holding Limited	2.8
HD Korea Shipbuilding & Offshore Engineering Co., Ltd.	2.6
Bharti Airtel Limited	2.5
Trent Limited	2.3
Samsung Electronics Co., Ltd.	2.2
InPost S.A.	2.1
Meituan	2.0

Exposure by Country

Table V.
Percentage of securities by country as of September 30, 2024

	Percent of Net Assets (%)
India	30.9
China	25.5
Korea	13.0
Taiwan	12.7
Brazil	5.8
Poland	2.8
Philippines	1.8
Mexico	1.7
Hong Kong	1.6
South Africa	1.4
Peru	1.3
Indonesia	1.1
Spain	0.4
Russia	0.0*

** The Fund's exposure to Russia was less than 0.1%.*

Exposure by Market Cap: The Fund may invest in companies of any market capitalization, and we have generally been broadly diversified across large-, mid-, and small-cap companies, as we believe developing world companies of all sizes can exhibit attractive growth potential. At the end of the third quarter of 2024, the Fund's median market cap was $14.6 billion, and we were invested 49.6% in giant-cap companies, 36.6% in large-cap companies, 13.1% in mid-cap companies, and 0.6% in small- and micro-cap companies, as defined by Morningstar, with the remainder in cash.

Recent Activity

During the third quarter, we added several new investments to our existing themes, while also increasing exposure to various positions that we established in earlier periods. We continue our endeavor to add to our highest conviction ideas.

We were most active in adding to our digitization theme by initiating positions in **Meituan** and **E Ink Holdings Inc.** Meituan is China's largest food delivery platform with over 70% market share, and it also operates a leading super app for local services with over 700 million annual users. Built on millions of user-generated reviews, the company has become the go-to app for discovering local businesses such as restaurants and salons. In our view, Meituan is one of the most attractive food delivery businesses globally, given its massive scale (60 million daily delivery orders), strong competitive positioning, and solid operational track record. We expect its food delivery economics to continue improving over time, driven by rising ad revenue and lower user incentives. The company also operates a local services marketplace, monetizing primarily through commissions on in-store coupons, hotel bookings, and advertising. Contrary to consensus concerns regarding competition, our due diligence indicates competitive headwinds are likely to prove temporary as rivals increasingly focus on profitable growth, with Meituan retaining its industry dominance. We expect the company to deliver over 20% compound earnings growth over the next three to four years, with the potential for continued value creation thereafter.

E Ink, headquartered in Taiwan, is the inventor and leading supplier of ePaper technology, with over 95% global market share. Made up of millions of tiny microcapsules containing positively and negatively charged particles, ePaper mimics the appearance and readability of traditional ink on paper. Unlike liquid crystal display (LCD), which uses a backlight, ePaper reflects external light, allowing for readability in direct sunlight, lighter weight, and much higher energy efficiency. E-Readers, such as Kindle, were the initial major end market for ePaper, however the Electronic Shelf Label (ESL) end market has proven to be a game-changer, driving a second leg of growth and already accounting for a majority of profit, and representing the company's major long-term growth driver. ESLs provide retailers with several advantages over traditional paper price labels, including a significant reduction in labor costs and paper consumption, higher efficiency in product restocking, and the flexibility to dynamically adjust prices. While global ESL penetration is currently low, we anticipate an accelerating rate of adoption over the next 5 to 10 years, as ESL unit prices have declined dramatically and industry leaders, such as Walmart, are indicating strong returns on their early investments. We are also optimistic about the emergence of large size displays, such as outdoor advertising billboards, as a new application for ePaper, with a potential revenue opportunity that ultimately exceeds that of ESLs. We believe that E Ink will maintain its dominant market share, thanks to its technological advantages, rich patent portfolio, manufacturing expertise, and extensive industry partnerships. We expect the company to deliver a compound total shareholder return in the mid-teens over the next three to five years.

During the quarter, we also increased exposure to our sustainability/ESG theme by initiating a position in **Contemporary Amperex Technology Co.,**

Limited (CATL), the world's largest manufacturer of rechargeable lithium-ion batteries for Electric Vehicles (EVs) and Energy Storage Systems (ESSs). Headquartered in China, CATL is the global leader in the development of high energy density performance batteries with technology leadership in superfast charging, creating strong pricing power for its products. Adding to its competitive moat, the company has a lower cost structure versus peers owing to its scale of operations (over 35% global market share in EV batteries), higher capacity utilization, and superior supply-chain management, including vertical integration of certain raw materials. In addition to its dominant positioning in China, CATL also has a solid track record with ex-China global original equipment manufacturers including Tesla, BMW, Stellantis, and Mercedes and, in our view, is well positioned to gain market share in Europe with the buildout of local manufacturing facilities. We remain optimistic regarding growth potential for EV/ESS batteries and expect the company to deliver at least 20% compound earnings growth in the medium term, while maintaining industry leading return on equity and gross margins of 25%.

As part of our global security/supply-chain diversification theme, we initiated a position in **Samsung Biologics Co., Ltd.**, a leading contract development and manufacturing organization (CDMO) that offers outsourced services for the development and commercialization of biopharmaceutical drugs. Samsung Biologics is the third largest CMDO by revenue globally, with a client base that includes 16 of the world's 20 largest pharmaceutical companies. We believe the large-scale CDMO industry will be under tight supply over the next three to five years, as global pharmaceutical companies increasingly outsource R&D and manufacturing services to top-tier players with proven quality and regulatory track records. In our view, Samsung Biologics will be a key beneficiary of such industry tailwinds as it has been actively investing in capacity expansion. With its new Plant 4 fully operational this year, Samsung Biologics currently stands as the world's largest CDMO in terms of production capacity. We are encouraged by the ramp up in capacity utilization at Plant 4, which demonstrates sustained order momentum. We are also excited about the upcoming capacity expansion at Plant 5, which will begin production in 2025. More recently, the U.S. House passed the Biosecure Act which will restrict business activity with targeted firms, such as Wuxi Biologics, a major Chinese CDMO, due to national security concerns. While we are still awaiting the Senate vote, we believe the long-term trend will be for global biopharmaceutical companies to diversify away from China, benefiting other top-tier CDMO players such as Samsung Biologics and Lonza Group AG, the leading European CDMO. In our view, Samsung Biologics could further gain a disproportionate share due to its competitive pricing relative to Lonza. Finally, as we have entered a central bank easing cycle, improved capital access and liquidity for the biopharmaceutical industry should also accelerate clinical trial activity and drug manufacturing.

Beginning this quarter, our semiconductor and AI-related investments (formerly part of the digitization theme), will be recategorized into a dedicated "advanced semiconductor/AI" theme given the growing importance and allocation of such businesses in the portfolio. Related to this newly minted theme, during the quarter we initiated a position in **ISC Co., Ltd.**, a South Korean manufacturer of semiconductor testing equipment. The company is the dominant global supplier of elastomer test sockets, which are electrical interfaces used to test the performance of semiconductor devices. For decades, the industry has primarily tested semiconductors with pogo pin sockets, which use miniature spring-loaded pins to create electrical connections. However, as chips are becoming increasingly complex and are operating at ever faster speeds, pogo pin technology is reaching electromechanical limits. Elastomer test sockets, which consist of a flexible rubber sheet with embedded conductive particles, offer significant advantages over pogo pin sockets for testing advanced chips, including superior electrical performance, lower risk of damage to the device under test, faster time to market, and lower cost. We believe ISC will be the key long-term beneficiary of the inexorable shift from pogo pin to elastomer sockets. We also expect the company to maintain over 70% market share, due to its strong first mover advantages, superior technology, and unparalleled manufacturing scale. Moreover, ISC's growth is levered to the booming leading edge processor market, which is driven by secular demand for AI and high-performance computing. We forecast that ISC will generate over 20% compound earnings growth over the next three to five years.

Further, we added to several of our existing positions during the quarter, including **Park Systems Corporation**, **China Mengniu Dairy Co. Ltd.**, **Localiza Rent a Car S.A.**, **Jiangsu Hengli Hydraulic Co., Ltd.**, **WEG S.A.**, **Cholamandalam Investment and Finance Company Limited**, and **Korea Aerospace Industries, Ltd**.

During the quarter, we also exited our positions in **Baidu, Inc.**, **Keyence Corporation**, **Estun Automation Co., Ltd.**, **Tata Consultancy Services Limited**, and **Edelweiss Financial Services Limited**, as we continue our endeavor to allocate capital to our highest convictions ideas.

Outlook

For nearly a year, we have highlighted that in our opinion, the Fed's monetary policy was holding hostage the EM and international economies where inflation had already been tamed, and by extension, where real interest rates were already too restrictive. In recent years, the U.S. became the epicenter of the inflation challenge, in our view by virtue of the much greater monetary and fiscal shock therapy administered by U.S. policymakers in the aftermath of the COVID pandemic. Unfortunately for such foreign jurisdictions, Fed tightening is a global, one-size-fits-all prescription. We have anticipated for some time that a mean-reverting EM and international equity outperformance cycle was due, but that greater certainty regarding Fed easing and/or perhaps rate-normalization in Japan or a more forceful China stimulus would be the necessary catalysts to set such a cycle in motion. As anticipated in our previous letter, where we suggested that moderating U.S. economic and inflation trends would warrant Fed rate cuts sooner than later, we can finally say we have reached the elusive inflection point. As evidence, during the third quarter, the Fed cut its policy rate by a greater-than-expected 50 basis points, and EM equities rose 8.72% versus 5.89% for the S&P 500 Index, while ex-U.S. international equities appreciated 8.06%. Further, since the year-to-date peak in U.S. inflation expectations in mid-April, EM equities have returned an impressive 15.44%, outperforming the S&P 500, notwithstanding the sizable impact of NVIDIA and other members of the *Magnificent Seven* on S&P 500 returns over this period. With all three of the aforementioned catalysts now kicking in, we believe it is increasingly likely that a sustainable EM relative outperformance cycle has begun.

It appears that early in the quarter the Japanese yen finally bottomed after a 13-year bear market and a decline of over 50% versus the U.S. dollar. This bottom is confirmed in our view by the Bank of Japan's recent move to exit zero interest rate policy while further increasing its short-term policy rate by greater-than-market expectations. This signaling of monetary policy and interest rate normalization took markets by surprise, and triggered an abrupt "Japan carry-trade unwind," which sent shock waves throughout global capital markets beginning in July and continuing into August. In our view, this event has longer-lasting implications as Japanese institutions and retail investors will likely embark on a longer-term repatriation of assets back to the appreciating home currency, while global hedge funds, speculators, and investors are also likely to deleverage and reposition, which in our view collectively will favor previously underperforming assets such as EM and international equities at the expense of the more over-owned Magnificent Seven and U.S. equities in general. For reference, it is estimated that Japanese institutions and retail investors hold over $5 trillion in total foreign securities, with an estimated $1.1 trillion in U.S. treasuries as well as a large exposure to U.S. equities. Foreigners in aggregate own over $10 trillion, or roughly 18% of the $55 trillion market cap of U.S. equities, and up from $3.1 trillion when the yen last peaked in 2011. If, as we suspect, Japan repatriation has begun in earnest, this could likely trigger a broader tipping point in foreign ownership of U.S. equities, reversing a key trend that has been in place for over a decade.

Further supporting the outlook for EM (and global) equities, late in the quarter China's policymakers also surprised markets with several fresh initiatives. First, on September 24, the People's Bank of China (PBOC) announced a significant step-up in economic support via a cut to the bank reserve requirement ratio and a simultaneous policy rate cut of 20 basis points (double the typical amount), with a rare public statement that more easing is to come. Additionally, for the first time ever, the PBOC set up a mechanism to directly support the equity markets including funding/lending for corporate buybacks – in effect, "stimulus with benefits" and enhanced governance for equity investors. Simultaneously, the Chinese banking regulator announced plans to recapitalize large state banks, addressing any capital/credit concerns and positioning the state banks to increase lending while also supporting property sector stabilization. Only two days later, the Politburo (the top leadership of the Communist Party) concluded a rare "surprise economic meeting," essentially projecting a sense of urgency, with official commentary confirming that economic recovery and the execution of pro-growth policy initiatives are now of the highest priority. The Politburo for the first time explicitly pledged to arrest the decline and foster stabilization of property prices while outlining several tools at their disposal to do so. In addition, and perhaps the most critical to many investors' assessment of the credibility of the communique, the Politburo mentioned consumption, confidence, and the welfare of Chinese households – alluding to forthcoming fiscal stimulus while also contrasting the exclusive supply-side emphasis of prior initiatives. Without question, this represents a new level of commitment on behalf of China's leadership, which in our view is more likely than not to improve consumer and business confidence while also enhancing forward-looking corporate earnings estimates. We have consistently communicated that while the long-term fundamental and the geopolitical environment vis-a-vis China has deteriorated, in our view such challenges were well discounted in equity prices, resulting in more upside potential than downside. Further, lack of traction on previously announced policy measures in our view raised the odds of triggering an "all-in" stimulus signal, which we believed at the time could drive 30% to 50% gains across many of our holdings if viewed as credible. As most China-related indices rallied roughly 20% in the final week of September, with private sector and growth-oriented individual equities up significantly more, we are heartened but also carefully monitoring valuations, as we suspect we have now traveled some portion of the way towards our assessment of fair value. While India, Taiwan, and China ended the third quarter leading all major EM jurisdictions, up over 25% year-to-date and outperforming the S&P 500 over this period, we continue to believe that over the long term, India offers the most attractive and broadest set of investment opportunities consistent with the Baron approach.

A word on the upcoming U.S. election. The U.S. election appears an almost dead heat at the writing of this letter, meaning investors cannot reasonably predict the outcome. While many have voiced concerns regarding election-related risks to non-U.S. equities, we have cautioned that many of these concerns have been known for some time and that after a multi-year, relative bear market, a lot is already discounted in the price. Further, while the likelihood and viability of a second Trump administration's tariff policy is difficult to predict, we submit that a Harris administration would nearly certainly be dollar bearish, while Trump has explicitly called for a weaker dollar and an easier Fed should he prevail. In our view, the U.S. dollar remains perhaps *the* critical variable in assessing the outlook for non-U.S. equity relative performance, and we reiterate that we believe a dollar bear market is likely already underway (good for non-U.S. performance). As such, while we certainly anticipate bouts of volatility heading into the election and its aftermath, we do not currently believe the outcome of this election should have a material or lasting effect on the intermediate or longer-term outlook for EM and international equities.

Thank you for investing in the Baron Emerging Markets Fund.

Sincerely,

Michael Kass
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 1-800-99-BARON or visiting BaronCapitalGroup.com. Please read them carefully before investing.

Risks: In addition to the general stock market risk that securities may fluctuate in value, investments in developing countries may have increased risks due to a greater possibility of: settlement delays; currency and capital controls; interest rate sensitivity; corruption and crime; exchange rate volatility; and inflation or deflation. The Fund invests in companies of all sizes, including small and medium sized companies whose securities may be thinly traded and 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 manager 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 Emerging Markets Fund by anyone in any jurisdiction where it would be unlawful under the laws of that jurisdiction to make such offer or solicitation.

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).

Baron Global Advantage Fund

Dear Baron Global Advantage Fund Shareholder:

Performance

Baron Global Advantage Fund® (the Fund) gained 5.6% (Institutional Shares) during the third quarter, compared to the 6.6% gain for the MSCI ACWI Index (the Index), and the 4.1% gain for the MSCI ACWI Growth Index, the Fund's benchmarks.

Table I.
Performance†
Annualized for periods ended September 30, 2024

	Baron Global Advantage Fund Retail Shares[1,2]	Baron Global Advantage Fund Institutional Shares[1,2]	MSCI ACWI Index[1]	MSCI ACWI Growth Index[1]
Three Months[3]	5.45%	5.55%	6.61%	4.07%
Nine Months[3]	12.77%	13.02%	18.66%	21.03%
One Year	29.37%	29.75%	31.76%	36.45%
Three Years	(12.99)%	(12.77)%	8.09%	7.18%
Five Years	6.64%	6.91%	12.19%	14.70%
Ten Years	9.67%	9.93%	9.39%	11.78%
Since Inception (April 30, 2012)	10.71%	10.97%	10.04%	11.87%

ALEX UMANSKY

PORTFOLIO MANAGER

Retail Shares: BGAFX
IInstitutional Shares: BGAIX
R6 Shares: BGLUX

Global equity indexes continued to grind higher in the third quarter with some making new all-time highs. The MSCI ACWI was up 6.6%, the MSCI ACWI Growth was up 4.1%, the Russell 1000 Growth was up 3.2%, and the S&P 500 was up 5.9%. Investment grade bonds were up 6.6%, while Bitcoin was up approximately 1.0%. In that context, the Fund had an in-line quarter underperforming modestly on the lower growth side of the curve and outperforming modestly against the higher growth comps. After 18 months of market returns being driven by large-cap stocks and in particular, the *Magnificent Seven*, we finally saw much improved market breadth. In the third quarter, the Magnificent Seven accounted for just 38bps, or 5.8% of the Index's 6.6% gain – it was 105% in the last quarter.

Giant caps[4] also underperformed, up 4.7%, while small-cap indexes such as the Russell 2000 and Russell 2000 Growth outperformed, up 8% to 10% compared to gains of 5.9% and 3.2% for the S&P 500 and Russell 1000 Growth, respectively. The long anticipated easing cycle has finally begun, with the Federal Reserve (the Fed) announcing a 50bps cut which we think had a lot to do with broadening investor appetite beyond the large technology and AI stocks. We have also observed a noticeable recovery in stock prices outside the U.S., particularly in China (up 23.4%) where significant government stimulus (interest rate cuts along with measures to support the mortgage market as well as the stock market) were well received by investors. After mostly avoiding China over the last few years, we dipped our toes back in, making two small investments in companies that we have owned in the past. As interest rates normalize and continue to decline, we expect economic activity to strengthen and investor appetite for

Performance listed in the table above is net of annual operating expenses. The gross annual expense ratio for the Retail Shares and Institutional Shares as of December 31, 2023 was 1.21% and 0.95%, respectively, but the net annual expense ratio was 1.16% and 0.91% (net of the Adviser's fee waivers, comprised of operating expenses of 1.15% and 0.90%, respectively, and interest expense of 0.01% and 0.01%, respectively), 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 Adviser waives and/or reimburses certain Fund expenses pursuant to a contract expiring on August 29, 2035, 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 BaronCapitalGroup.com or call 1-800-99-BARON.

† The Fund's historical performance was impacted by gains from IPOs and there is no guarantee that these results can be repeated or that the Fund's level of participation in IPOs will be the same in the future.

1 The **MSCI ACWI Index Net (USD)** is designed to measure the equity market performance of large and midcap securities across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. The **MSCI ACWI Growth Index Net (USD)** is designed to measure the equity market performance of large and mid cap securities exhibiting overall growth style characteristics across 23 Developed Markets (DM) countries and 24 Emerging Markets (EM) countries. MSCI is the source and owner of the trademarks, service marks and copyrights related to the MSCI Indexes. The indexes and the Fund include reinvestment of dividends, net of foreign withholding taxes, which positively impact 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 Not annualized.

4 Defined based on Morningstar's global market cap breakpoints, which fluctuate month to month. As of the end of September, giant-cap stocks in the U.S. had market caps above $329.3 billion; in Canada, above $48.1 billion; in Latin America, above $20.7 billion; in Europe, above $74.9 billion; in Japan, above $32.5 billion; in Australia/New Zealand, above $52.1 billion; and in Asia ex-Japan, above $23.8 billion.

growth stocks to improve. That could be a tailwind for recovery in multiples and potentially a near-term positive for the Fund. Of course, over the long term, stock prices will be more dependent on the growth (and the *duration* of growth) of business fundamentals – revenues, profits, and cash flows.

From the performance attribution perspective relative to the Index, stock selection contributed 39bps to relative returns, which was more than offset by the negative effect of sector allocation that detracted 148bps. Our investments in Consumer Discretionary (think **MercadoLibre**, **Zomato**, and **Coupang**) and Health Care (**argenx** and **Viking Therapeutics**) did well, while Information Technology (IT) (**CrowdStrike**, **ASML**, and **Snowflake**) and Industrials (**SpaceX** was flat compared to a rising benchmark) stocks detracted. We also benefited from having no exposure to Energy which was roughly offset by having no investments in Real Estate and Utilities. From a geographic perspective, the Fund's investments in Argentina, Canada, India, Korea, the Netherlands, Taiwan, and Poland contributed to relative returns, which was offset by relative underperformance in the U.S., U.K., China, Spain, and Brazil. The Fund ended the quarter with just under 40% of its assets invested in the U.S., a significant underweight relative to the Index's ending weight of 63.8%.

From a company specific perspective, we batted just over .500 with 19 gainers against 18 decliners but with an impressive slugging percentage as MercadoLibre, **Shopify**, Coupang, Zomato, and argenx contributed over 100bps each to absolute returns, while **GDS** and **Adyen** added over 60bps each. Notably, 14 out of our 39 investments posted double-digit gains during the third quarter, with 9 gaining over 20% each, and 5 appreciating over 30% each, in the process contributing 10.3% to absolute returns. On the other side of the ledger, 11 of our holdings experienced double-digit declines costing the Fund 465bps, with CrowdStrike, which unexpectedly became a household name for all the wrong reasons (a routine software update causing a widespread computer crash) knocking off 150bps all by itself.

To better understand the anatomy of performance, we deconstructed returns into two components – the change in multiples and the change in fundamentals. We analyzed the change in the weighted average multiple of the Fund and the change in weighted average consensus expectations for 2024 (for revenues, operating income, and operating margins). During the third quarter, the multiple[5] *contracted by 2.7%* and is *now down 0.9% year-to-date* – driven by our IT holdings where the *multiple contracted by 8.4%*. Since the Fund was up 5.6%, **fundamentals of our businesses increased by approximately 8%** – an encouraging sign from our perspective. Revenue expectations for 2024 increased by 2.6% (after rising 1.7% in the June quarter), operating income expectations increased by 5.4% (down 2.4% in the June quarter), and operating margin expectations increased by 58bps (were down 58bps in the June quarter). Overall, business trends continue to be stable and, in many cases, improving.

While the macro environment remains complex, the economy continues to be resilient and from our perspective improving. The 2.5% inflation reading for August was the lowest since February 2021, the Fed has finally embarked on an easing path with interest rates starting to decline, and the soft landing scenario appears to be more and more likely. Of course, the election season is upon us and there are daily reminders from the media that this is "the most deeply divided electorate in the midst of the most consequential election of our time!" In that context we were recently asked if we had our "Trump basket" and "Harris basket" ready to go, and how we were planning to position the portfolio once the outcome of the election became known. The answer was – we do not. Anecdotally, a well-respected financial publication[6] recently published an article detailing stock market performance during Republican and Democratic administrations from 1961 to 2023 (without specifying which index they used for "market"). The publication claimed that $10,000 hypothetically invested since 1961 under Republican presidencies would have returned $102,293 while $10,000 hypothetically invested under the Democratic regimes would have yielded $500,476. If that $10,000 stayed invested throughout that time period (under both administrations) it would have turned into $5,119,520. Though crude, it drove the point across rather well. It strikes us that the electorate was deeply divided four years ago, and the four years before that, and the four years before that. Every election we experienced seemed very consequential at the time. We practice a probabilistic approach to investing, and in that context, the rhetoric notwithstanding, we have a high degree of confidence that Trump's victory would not spell the end of democracy, just like a win by Harris will not lead to the end of capitalism.

Table II.
Top contributors to performance for the quarter ended September 30, 2024

	Quarter End Market Cap ($ billions)	Contribution to Return (%)
MercadoLibre, Inc.	104.0	2.39
Shopify Inc.	103.3	1.72
Coupang, Inc.	44.0	1.19
Zomato Limited	28.8	1.14
argenx SE	32.4	1.11

Shares of **MercadoLibre, Inc.**, Latin America's leading e-commerce company, rose 24.8% in the quarter, driven by results that beat expectations. The company reported 83% year-over-year growth in gross merchandise value (GMV), 131% growth in commerce revenues, and 86% growth in total payments volume. Despite its dominant position, the company generated above-market GMV growth across its major Latin American markets and is increasingly outperforming its peers in e-commerce, particularly in Brazil thanks to its broad selection and differentiated logistics capabilities, which enable faster delivery times than peers. MercadoLibre has also benefited from product innovation in fintech and solid underwriting in the growing credit business, which we believe will drive margin expansion and earnings growth as e-commerce in the region continues maturing over the next decade.

Shopify Inc. is a cloud-based software provider for multi-channel commerce. Shares rose 21.3% after reporting strong financial results with revenue growth of 25% year-on-year, accelerating from the prior quarter. Shopify's operating margins also outperformed, at 14.6%, or nearly 3% better than expected, alleviating investor concerns over an upcoming investment cycle. While the company continues gaining share in its core business, we are increasingly seeing data points that point to a successful expansion to new opportunities including international, B2B, and offline. Despite volatility in the pace of reinvestments and margin expansion, we

5 We calculate the change in P/E multiple (based on FactSet consensus expectations for EPS for the next 12 months) for each holding between June 30, 2024, and September 30, 2024 as long as the starting P/E is less than 100 times. If it is greater than 100 times (or negative), we used an EV/Revenue multiple. For GDS specifically we applied an EV/EBITDA multiple. We then use the ending weights of each position in the Fund to calculate the weighted average change in the Fund's multiple.

6 Hough, J. (2024, July 5). Red, Blue, and the White House: Handicapping Postelection Market Movers. *Barron's*.

remain shareholders due to Shopify's strong competitive positioning, innovative culture, and long runway for growth, as it still holds less than a 2% share of the global commerce market.

Shares of **Coupang, Inc.**, Korea's largest e-commerce marketplace, appreciated 17.2% after second quarter results saw a solid EBITDA beat, driven by higher margins in its core Product Commerce segment (EBITDA of $530 million, up 30% year-on-year, and margins of 8.2%, up 110bps year-on-year). We believe the trend in margin expansion will continue as Coupang scales margin-accretive offerings, improves operations and supply chain, and leverages technology and automation to drive efficiencies. Its food delivery business has experienced strong growth with overall developing offerings revenues up 188% year-on-year in constant currency, with improving unit economics in the recent quarters. We view Coupang as one of the most competitively advantaged e-commerce businesses globally, with significant runway for both revenue and earnings growth.

Table III.
Top detractors from performance for the quarter ended September 30, 2024

	Quarter End Market Cap ($ billions)	Contribution to Return (%)
CrowdStrike Holdings, Inc.	68.8	–1.50
ASML Holding N.V.	331.6	–0.79
Snowflake Inc.	38.5	–0.51
Datadog, Inc.	38.8	–0.47
indie Semiconductor, Inc.	0.8	–0.46

CrowdStrike Holdings, Inc. is a leading cybersecurity software company. Following a long period of outsized gains, shares fell 29.5% in the quarter after a software glitch caused a global Microsoft Windows outage in July. Despite the outage, the company delivered solid second quarter results that exceeded the high end of expectations across all key metrics. Management called out several delayed deals but noted that they remained in the pipeline and should close in coming quarters. Increased scrutiny and the implementation of new incentives, including discounts and free products and flexibility on billings, will likely negatively impact bookings and revenue growth over the near term. While the range of outcomes on the implications of the outage on customer retention and willingness to expand with CrowdStrike remains wider than usual, leading us to reduce our position, we believe that the fact that the incident was not due to a cybersecurity breach, the company's competitively advantaged product, its transparent and rapid response, and the new procedures it had put in place, should help it retain its customers and grow share of wallet over time.

ASML Holding N.V. designs and manufactures photolithography equipment for semiconductor production. ASML is the leader across all types of lithography and the only company selling extreme ultra-violet (EUV) lithography tools, which are critical for leading-edge chip manufacturing. The stock fell 18.3% during the quarter on investor concerns around potential 2025 results driven by Intel's capex cuts, sustainability of Chinese lithography demand, potential government restrictions on sales to China, and worries over slowing demand in the coming quarters. Despite near-term noise and uncertainty, ASML has a backlog covering the majority of expected revenues for 2025. More importantly, the long-term outlook remains favorable, regardless of where ASML is able to ship as demand for tools is ultimately driven by the overall demand for semiconductors regardless of the fab location. As a de facto monopoly on critical lithography tools supporting an industry with growing demand fueled by the proliferation of AI, we see durable competitive advantages that should translate into good upside for shares of ASML over the long term.

Snowflake Inc. is a leading cloud data platform predominantly used for data analytics. Shares fell 15.2% in the third quarter due to a cybersecurity incident, a shifting competitive landscape, a change in leadership, and general macro complexities which are pressuring customer IT budgets. With generative AI (Gen AI) front and center, both investors and customers are closely evaluating Snowflake's positioning in the future data ecosystem. Databricks and other competitors whose core users are data scientists who are also key buyers of Gen AI technologies, are benefiting. In addition, while Snowflake's product innovation push should fuel future growth, it may also lead to short-term headwinds to profitability. Management reported healthy demand for its core data analytics, evidenced by solid growth rates among current customers alongside new go-to-market initiatives that could support growth. We are optimistic the new CEO, Sridhar Ramaswamy, can lead the company towards an AI-centric strategy, and therefore remain shareholders.

Portfolio Structure

The portfolio is constructed on a bottom-up basis with the quality of ideas and conviction level having the most significant roles in determining the size of each individual investment. Sector and country weights are an outcome of the stock selection process and are not meant to indicate a positive or a negative "view."

As of September 30, 2024, the top 10 positions represented 61.4% of the Fund's net assets, and the top 20 represented 85.9%. We ended the quarter with 37 investments compared to 36 at the end of the second quarter. Note that our top 27 investments represented over 95% of the Fund.

Our investments in the IT, Consumer Discretionary, Industrials, Financials, and Health Care sectors, as classified by GICS, represented 99.7% of the Fund's net assets. Our investments in non-U.S. companies represented 60.4% of net assets, and our investments in emerging markets and other non-developed countries (Argentina) totaled 32.3% of net assets.

Table IV.
Top 10 holdings as of September 30, 2024

	Quarter End Market Cap ($ billions)	Quarter End Investment Value ($ millions)	Percent of Net Assets (%)
MercadoLibre, Inc.	104.0	54.2	9.7
NVIDIA Corporation	2,978.9	50.7	9.0
Shopify Inc.	103.3	48.7	8.7
Coupang, Inc.	44.0	39.1	7.0
Space Exploration Technologies Corp.	210.2	36.7	6.5
Cloudflare, Inc.	27.7	28.5	5.1
argenx SE	32.4	26.5	4.7
Zomato Limited	28.8	21.5	3.8
ASML Holding N.V.	331.6	19.4	3.5
Datadog, Inc.	38.8	18.9	3.4

Table V.
Percentage of securities by country as of September 30, 2024

	Percent of Net Assets (%)
United States	39.4
Argentina	12.0
Netherlands	10.7
Canada	8.7
India	7.2
Korea	7.0
Israel	4.4
United Kingdom	2.5
Poland	2.5
Spain	1.8
Brazil	1.7
Taiwan	1.0
China	1.0

Recent Activity

During the third quarter, we initiated three new investments: the Chinese e-commerce platform, **PDD**; the Chinese data center company, **GDS**; and the leading global semiconductor manufacturer, **Taiwan Semiconductor**. We also increased two existing holdings: the leading next-generation sequencing platform, **Illumina**, and the small-cap auto-focused semiconductor designer, **indie Semiconductor**. We also sold **Rivian** and liquidated our small position in **Tempus AI**.

We also reduced 21 existing positions to fund redemptions and new purchases.

Table VI.
Top net purchases for the quarter ended September 30, 2024

	Quarter End Market Cap ($ billions)	Net Amount Purchased ($ millions)
PDD Holdings Inc.	187.2	6.0
Illumina, Inc.	20.8	5.8
Taiwan Semiconductor Manufacturing Company Limited	900.7	5.4
GDS Holdings Limited	4.0	4.4
indie Semiconductor, Inc.	0.8	1.9

During the third quarter we re-initiated a small investment in **PDD Holdings Inc.** We believe the company is truly unique in the global e-commerce landscape, with an innovative business model, and very strong growth prospects. Founded in 2015 as Pinduoduo, the company has grown into China's second-largest e-commerce player, capturing over 20% market share. PDD's Consumer-to-Manufacturer (C2M) model, which connects manufacturers directly to consumers eliminated intermediaries, allowing for ultra-low prices that attract price-sensitive consumers and small merchants. Its discovery-based, algorithm-driven shopping experience has created a highly engaging platform, driving user and merchant growth in a virtuous cycle. We expect PDD to continue gaining share in China given its dominance in the value-for-money segment, growing branded product offerings at affordable prices, and high operational efficiency. PDD's network effects and cost advantage, supported by its lean structure and efficient C2M model, are set to grow as it scales, both domestically and internationally. Its cross-border e-commerce platform, Temu, launched in September 2022, has rapidly become one of the world's fastest-growing apps. Leveraging China's excess capacity and PDD's supply-chain efficiency, Temu wields strong pricing power over Chinese suppliers and attracts overseas consumers with competitively priced products. While still in early stage, Temu has achieved 2% of the global ex-China e-commerce market and a variable breakeven in the U.S. market, underscoring PDD's focus on sustainable growth. Despite its rapid growth and profitability, PDD trades at a double-digit free cash flow yield (despite losses from the early-stage international expansion through Temu), significantly below sector peers. While concerns over geopolitical tensions exist, we believe PDD's growing competitive edge, strong cash flow, and disciplined management position it to create substantial long-term value for shareholders.

We also re-acquired a small position in **GDS Holdings Limited**, a leading Chinese data center operator. We were encouraged by several fundamental updates and recently met with CEO/founder William Huang and CFO Daniel Newman in our offices. We remain optimistic about the company's growth prospects: i) its Asia ex-China data center business (GDS International or GDSI) and ii) its mainland China data center business (GDS Holdings or GDSH). We see a path for the business to be worth $46 to $56 per share in two to three years versus approximately $20 at recent market price. We value the mainland China data center business at $30 to $40 per share and GDS's equity stake in its Southeast Asia data center business at $16 per share.

- i) **GDSI:** We see cash flow for GDSI growing from below $50 million today to over $500 million over the next three years, which we value at $16/share at GDS' ownership stake after accounting for the growth capital it has secured from renowned U.S. and global investors. Blackstone's recent $16 billion acquisition of Southeast Asia based data center operator Airtrunk at 25 times is still at a substantial premium to where GDS is raising growth capital today, which provides an important valuation marker for a potential IPO of this business over the next 12 to 15 months.
- ii) **GDSH:** We believe that growth will accelerate in the China data center segment with cash flow growing from around $700 million today to $1 billion over the next three years. We value the China business at $30 to $40 per share and remain encouraged that there will be several catalysts to further surface value (e.g., transaction to place certain stabilized assets into a listed REIT vehicle).

We established a small position in **Taiwan Semiconductor Manufacturing Company Limited** (TSMC). Morris Chang founded TSMC in 1987, as the world's first dedicated semiconductor foundry. Until then, semiconductor chips were always designed and manufactured by the same company. TSMC introduced a groundbreaking new business model, in which it acted purely as a contract manufacturer, which proved to be highly successful. TSMC maintained a focus on improving its manufacturing process technology and enabled the emergence of innovative fabless design companies, including NVIDIA, Apple, and Qualcomm, who became TSMC's key customers. Today, TSMC has a more than 60% share of the total semiconductor foundry market and over 90% share in leading-edge manufacturing. TSMC enjoys high barriers to entry given the ever-increasing cost and technological complexity of semiconductor manufacturing while benefiting from economies of scope as once leading-edge manufacturing becomes lagging edge on fully depreciated equipment. TSMC also benefits from scale– higher profits lead to higher R&D and capex investments, allowing for further technological differentiation, resulting in more profits. We believe TSMC will sustain strong double-digit earnings growth for years to come, driven by continued market share gains, strong pricing power, and structural growth in AI demand. According to C.C. Wei, TSMC's CEO, *"almost all the AI innovators are working with TSMC to address the insatiable AI-related demand."*[6] Management forecasts that revenue from server AI chips, such as GPUs and other AI accelerators, will grow at a 50% CAGR from 2022 to 2028 and account for more than 20% of TSMC's revenue by 2028. We except further long-term upside from the eventual proliferation of edge AI devices, including AI smartphones and AI PCs, which will require significantly more computing power and drive even stronger demand for TSMC's leading-edge technology.

Lastly, we added to our investment in **Illumina, Inc.** The company supplies instruments and consumables for next generation sequencing (NGS), a technique that enables massive amounts of genetic analysis in both research and clinical diagnosis. It is the dominant player today with 80% of the market. We believe Illumina is on a path to return to double-digit growth in the intermediate to long term while benefiting from a long runway for growth with genomes sequenced for less than 1% of humans and 0.1% of species. We believe that Illumina would be able to grow its TAM by continuing to reduce the cost of sequencing as it has in the past (its recent Novaseq X) has reduced the cost from $600 to $200. We also believe that Illumina is more than a sequencing company. It's an entire workflow and ecosystem, from sample prep to sequencing and bioinformatic analytics. While it used to be that the sequencing portion was a big chunk of the whole workflow's costs, nowadays it's in line with the other parts of the workflow. If researchers are used to Illumina protocols and their solution is spec'ed in on the workflows (particularly on the clinical side), it doesn't make sense to save a bit more money on that few hundred dollars, if Illumina makes them more efficient on the other parts of the workflow like sample prep and bioinformatics.

Table VII.
Top net sales for the quarter ended September 30, 2024

	Quarter End Market Cap or Market Cap When Sold ($ billions)	Net Amount Sold ($ millions)
Tesla, Inc.	835.8	16.9
CrowdStrike Holdings, Inc.	68.8	16.2
MercadoLibre, Inc.	104.0	11.9
Rivian Automotive, Inc.	11.9	8.0
NVIDIA Corporation	2,978.9	5.9

Outlook

After six months of "higher for longer" dominating the investing narrative, the Fed officially embarked on an easing cycle after reducing the interest rates by 50bps following its September meeting. While we continue to have no view on the timing or the pace of further interest rates cuts, we will point out that lower rates reduce the cost of capital, increase the wealth effect, and generally improve investor confidence. That in turn often leads to longer time horizons which potentially impact the multiples investors are willing to pay for growth stocks.

The majority of the businesses we tend to favor can be considered as long-duration assets because as beneficiaries of disruptive change with large and fast growing markets they almost always penalize near-term profitability in order to reinvest aggressively for future growth. In other words, they overinvest and underearn. Mathematically speaking, using lower cost of capital and lower interest rates to discount future free cash flows to present value yields higher results. The proverbial two birds in the bush are worth more – when the rates are lower and even more when rates are expected to decline further. As a Fund focused on Big Ideas, we tend to be consistently underweight the large and giant-cap companies (as well as the U.S. – relative safe havens) and overweight small and mid-caps (as well as the emerging markets) and so a rise in investor confidence and a broader participation in the market recovery could become a much welcome tailwind for the way we invest.

Every day we live and invest in an uncertain world. Well-known conditions and widely anticipated events, such as Federal Reserve rate changes, ongoing trade disputes, government shutdowns, and the unpredictable behavior of important politicians the world over, are shrugged off by the financial markets one day and seem to drive them up or down the next. We often find it difficult to know why market participants do what they do over the short term. The constant challenges we face are real and serious, with clearly uncertain outcomes. History would suggest that most will prove passing or manageable. The business of capital allocation (or investing) is the business of taking risk, managing the uncertainty, and taking advantage of the long-term opportunities that those risks and uncertainties create.

We are optimistic about the long-term prospects of the companies in which we are invested and continue to search for new ideas and investment opportunities while remaining patient and investing only when we believe the target companies are trading at attractive prices relative to their intrinsic values.

Sincerely,

Alex Umansky
Portfolio Manager

[6] Second quarter 2024 earnings call.

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: Growth stocks can react differently to issuer, political, market and economic developments than the market as a whole. Non-U.S. investments may involve additional risks to those inherent in U.S. investments, including exchange-rate fluctuations, political or economic instability, the imposition of exchange controls, expropriation, limited disclosure and illiquid markets, resulting in greater share price volatility. Securities of small and medium-sized companies may be thinly traded and more difficult to sell.

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 Global Advantage Fund by anyone in any jurisdiction where it would be unlawful under the laws of that jurisdiction to make such offer or solicitation.

Upside Capture explains how well a fund performs in time periods where the benchmark's returns are greater than zero. **Free Cash Flow (FCF)** represents the cash that a company generates after accounting for cash outflows to support operations and maintain its capital assets. **Free Cash Flow Yield** is a financial solvency ratio that compares the free cash flow per share a company is expected to earn against its market value per share. **EPS Growth Rate** (3-5-year forecast) indicates the long term forecasted EPS growth of the companies in the portfolio, calculated using the weighted average of the available 3-to-5 year forecasted growth rates for each of the stocks in the portfolio provided by FactSet Estimates. The EPS Growth rate does not forecast the Fund's performance. **Enterprise Value (EV)** is a measure of a company's total value, often used as a more comprehensive alternative to equity market capitalization. EV includes in its calculation the market capitalization of a company but also short-term and long-term debt as well as any cash on the company's balance sheet. **Price/Earnings Ratio or P/E (next 12-months)**: is a valuation ratio of a company's current share price compared to its mean forecasted 4 quarter sum earnings per share over the next twelve months. If a company's EPS estimate is negative, it is excluded from the portfolio-level calculation.

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).

Dear Baron Discovery Fund Shareholder:

Performance

Baron Discovery Fund® (the Fund) was up 13.55% (Institutional Shares) in the quarter, outperforming the Russell 2000 Growth Index (the Benchmark) by 514 basis points. For the year-to-date period, the Fund returned 9.50%, 372 basis points below the Benchmark return of 13.22%. We were pleased with the performance during the third quarter, and we feel that it is possible that the bear market in small-cap growth stocks that started way back in February 2021 is finally ending. We have been talking about the divergence between small-cap growth and large-cap valuations for several quarters now, but to give you a sense of how challenged small-cap growth has been, before this quarter the Benchmark had only beaten the S&P 500 Index in 2 of the last 14 quarters. We have not seen small-cap growth quarterly underperformance of this magnitude since the late 1990s. To further illustrate this point, consider the cumulative performance of two asset classes over the last three plus years: one asset class is up 56% and the other is down 13%. If you came to these numbers without any context, you might assume that the returns represent investments in assets of different countries where one economy was slowing and the other was booming. At no point, however, would you think that these two returns are from indices *in the same exact economy*. Yet those two metrics represent the cumulative performance of the S&P 500 Index (+55.81%) and the Benchmark (-13.41%) since February 9, 2021.

RANDY GWIRTZMAN PORTFOLIO MANAGER

LAIRD BIEGER PORTFOLIO MANAGER

Retail Shares: BDFFX
Institutional Shares: BDFIX
R6 Shares: BDFUX

Table I.
Performance†
Annualized for periods ended September 30, 2024

	Baron Discovery Fund Retail Shares[1,2]	Baron Discovery Fund Institutional Shares[1,2]	Russell 2000 Growth Index[1]	Russell 3000 Index[1]
Three Months[3]	13.52%	13.55%	8.41%	6.23%
Nine Months[3]	9.27%	9.50%	13.22%	20.63%
One Year	22.78%	23.12%	27.66%	35.19%
Three Years	(5.76)%	(5.51)%	(0.35)%	10.29%
Five Years	10.53%	10.82%	8.82%	15.26%
Ten Years	11.71%	12.00%	8.95%	12.83%
Since Inception (September 30, 2013) (Annualized)	12.17%	12.45%	8.47%	13.27%
Since Inception (September 30, 2013) (Cumulative)[3]	253.60%	263.55%	144.54%	293.69%

Over the past several quarters, our quarterly letters have pointed out that the divergent paths of small-cap growth and large-cap stocks would not continue forever, and a likely catalyst for rotation into small-cap growth stocks would be the decline in inflation and, as a result, the lowering of rates by the Federal Reserve (the Fed). Inflation has been on a lower trajectory for many quarters now and the Fed reacted to this fact by cutting rates by 50 basis points in September. Small-cap stocks reacted positively to the news and the higher quality growth companies in the Fund managed to outperform the Benchmark during this period. Skeptics might say that this was an anomaly, like the small-cap rally that occurred in the first seven months of 2023 that completely disappeared over the following three months. So let us explain why we think this quarter is different from the rally we saw in 2023 and why the small-cap growth versus large-cap "reversion to the mean" trade can have legs.

First, the Fed has gone from neutral to dovish. As we have written about for several quarters, our companies were telling us that the inflation and supply-chain issues they experienced during COVID-19 had mostly dissipated by

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 1.33% and 1.06%, 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 Adviser may waive or reimburse certain Fund expenses pursuant to a contract expiring on August 29, 2035, 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 BaronCapitalGroup.com or call 1-800-99-BARON.

† The Fund's historical performance was impacted by gains from IPOs and there is no guarantee that these results can be repeated or that the Fund's level of participation in IPOs will be the same in the future.

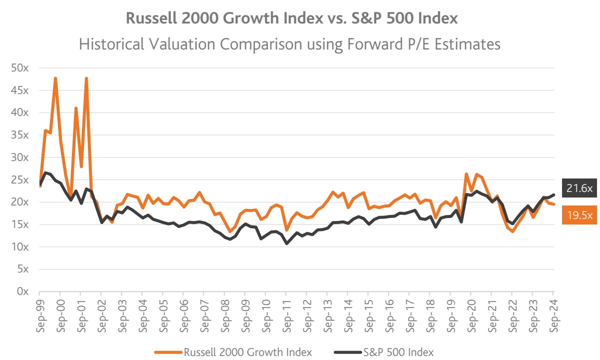
1 The **Russell 2000® Growth Index** measures the performance of small-sized U.S. companies that are classified as growth. The **Russell 3000® Index** measures the performance of the broad segment of the U.S. equity universe comprised of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market. 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.

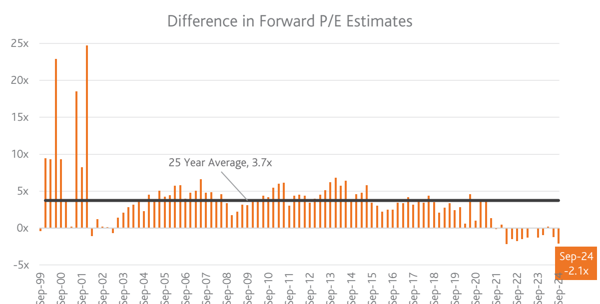
2 The performance data in the table does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares.

3 Not annualized.

the end of 2022. We have seen government inflation data steadily falling for several quarters. Lower inflation gave the Fed the headroom to begin the process of normalizing interest rates. Lower rates are a positive for our smaller growth companies for two primary reasons: (1) when interest rates fall, the present value of future cash flows increases. This means that the discounted cash flows of small-cap growth stocks, which often have higher growth rates, become more valuable. As a result, valuation multiples expand and stock prices tend to rise; and (2) lower interest rates are a tailwind for the economy and are supportive of economic growth. This creates an environment where our portfolio companies can see accelerating revenue growth.

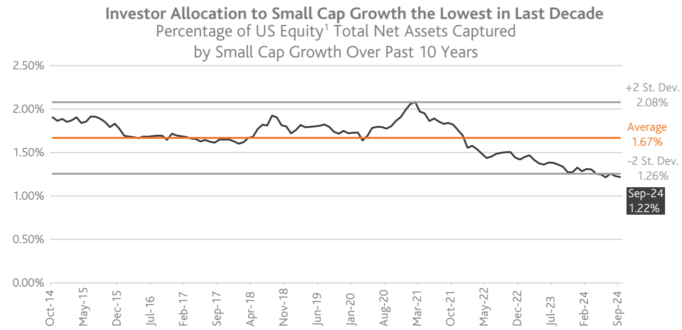
Second, valuations of small-cap growth stocks remain attractive compared to their large-cap counterparts. In fact, small-cap growth is presently trading at its largest discount relative to large cap in the last 25 years.





Sources: FactSet Market Aggregates and The Bank of New York Mellon Corporation.

Third, investors are under-allocated to small-cap growth stocks as an asset class. When looking at the allocation to small-cap growth within the Morningstar US Equity universe over the last 10 years, the percentage of total net assets invested in the Morningstar Small Cap Growth category recently hit a new low at the end of September. When investors are shunning an asset class, as they are with small-cap growth today, this can be a contrarian indicator and a positive predictor of better asset performance in the future.



1 - US Equity includes the following Morningstar defined categories: US Equity, International Equity, Sector Equity, and Nontraditional Equity.

Source: Morningstar Direct.

Fourth, negative earnings revisions have been a frequent theme over the last couple of years. We believe this trend can reverse as year-over-year earnings comparisons become easier go forward. Periods where earnings revisions are positive are bullish for both valuation multiples and stock prices.

Fifth, Chinese economic growth has been a drag on global economic growth for the last couple of years. We believe the stimulus measures that the Chinese government announced in late September (with one Bloomberg article suggesting it could be as high as $1.4 trillion dollars!) will jumpstart the Chinese economy which will act as a tailwind to global economic activity.

The bottom line is that there are many reasons why a rotation into small-cap growth stocks (and into our secular growers in particular) is likely. The combination of lower interest rates, stronger economic growth, attractive valuations, and easier earnings comparisons create a backdrop that we think is conducive for stronger small company fundamentals and valuation multiples.

Table II.
Top contributors to performance for the quarter ended September 30, 2024

	Contribution to Return (%)
CareDx, Inc.	1.72
Axon Enterprise, Inc.	1.22
Tempus AI, Inc.	1.12
Exact Sciences Corporation	0.93
Veracyte, Inc.	0.87

CareDx, Inc. is a diagnostic company that facilitates donor matches pre-transplant and rejection monitoring post-transplant. In August 2024, CMS "retired" a draft local coverage determination that had previously caused a major reimbursement overhang, massively impacting CareDx's revenues and share price. Shares outperformed for the quarter as testing volumes accelerated, leading the company to beat second quarter consensus estimates as well as its full-year guidance. The silver lining from the difficult period CareDx experienced is that it has optimized its operating expense structure and should see meaningfully increased profitability as it gets back to prior testing volumes and beyond. Even after a big rebound in the shares this year, we still believe CareDx's valuation remains inexpensive.

Axon Enterprise, Inc. is the leading provider of tasers, body cameras, software, and other solutions for law enforcement. Shares rose following an exceptionally strong second quarter earnings report, highlighted by revenue growth of over 25% for the 10th straight quarter. This was led by nearly 50% growth in Axon's software business. Axon introduced Draft One software for law enforcement officers, which leverages generative AI and body-worn camera audio to produce high-quality draft report narratives in seconds, freeing up 20% to 25% of an officer's day. This product showcases the many potential generative AI use cases in Axon's business. International bookings were up 100%, driven in part by growing interest in Draft One and the Taser 10 product. Run by a visionary founder with a best-in-class team, the company is continually pushing new and innovative products in the pursuit of becoming the de-facto public safety ecosystem. We believe Axon will become a much larger company over time.

Shares of **Tempus AI, Inc.** contributed to performance. Tempus is a cancer diagnostics company that provides genomic testing results. Tempus has also amassed an over 200 petabyte proprietary multimodal dataset that combines clinical patient data with genomic testing data. In addition to using this data to empower more intelligent diagnostics for its own tests, Tempus also licenses this data to biopharmaceutical companies which use it to design smarter clinical trials and identify potential new drug targets. We think this proprietary dataset is unique with meaningful barriers to entry, and brings meaningful value to biopharmaceutical R&D. As we mentioned in the letter from last quarter, shares have been incredibly volatile. We took advantage of this volatility to buy a meaningful position when shares sold off into the low $20's per share from an IPO price of $37. When shares spiked into the mid-$70's (likely due to short sellers covering losses as shares rose), we took profits on a meaningful portion of the investment as we believed valuation had become stretched (shares now trade in the high $40's to low $50's level). We like our position sizing now, and would add to the position at lower valuations. We believe that Tempus has significant growth ahead of it and we are excited about its unique business model.

Table III.
Top detractors from performance for the quarter ended September 30, 2024

	Contribution to Return (%)
Montrose Environmental Group, Inc.	–1.21
indie Semiconductor, Inc.	–0.69
Chart Industries, Inc.	–0.44
Couchbase, Inc.	–0.32
Inari Medical, Inc.	–0.31

Montrose Environmental Group, Inc., a leading environmental services company, underperformed in the quarter. The stock pulled back sharply after the Supreme Court decided the *Loper Bright Enterprises v. Raimondo case* in June 2024, which overturned the so-called "Chevron Deference Doctrine" named from the 1984 *Chevron U.S.A., Inc. v. Natural Resources Defense Council, Inc.* case. Chevron held that federal courts should defer to the decisions of administrative agencies when they are interpreting a law or statute. Now future agency decision-making will come under more scrutiny and court challenge. Because Montrose derives most of its business from EPA related work, investors grew concerned that its growth could slow. We think this concern is overblown. Loper did not require a reassessment of regulations that are already in place (which is basically all of Montrose's current business). In addition, Montrose's business drivers are diverse and its testing and advisory business benefits from complexity. We added to our position on weakness. While the Loper case might affect the timing and magnitude of Montrose's opportunity to clean up PFAS (so-called "forever plastics") sites (since EPA regulations are currently being decided), we still believe this is a huge potential line of business for the company. We continue to believe that Montrose, as a vertically integrated environmental services company, has a unique value proposition to customers and we believe that the company will be successful in the execution of its strategy to grow organically and through acquisition. And valuation is compelling at a mid-single-digit multiple of cash flow for an industrial company with Montrose's growth characteristics.

Indie Semiconductor, Inc. is a fabless designer, developer, and marketer of automotive semiconductors for advanced driver assistance systems (ADAS) and connected car, user experience, and electrification applications. Indie's stock fell during the quarter as it guided full-year 2024 revenue growth below expectations for the third quarter in a row. This is due to macro factors as opposed to problems specific to indie itself. Overall auto industry production is expected to be incrementally worse and excess inventory at indie's customers has been a headwind to volume growth. Despite the near-term macro softening, indie continues to win new sockets in future platforms and remains very well positioned for growth over the medium and long term supported by its $6.3 billion design win backlog, of which $4.6 billion is in ADAS applications. It also is expecting some very large program ramps in 2025, including a marquee radar-related rollout, the biggest program in the company's history. We believe indie can continue to significantly outpace the broader industry and approach $1 billion in revenue by the end of this decade with premium margins. We believe its share price will recover as rapid growth resumes in 2025.

Chart Industries, Inc. is a global leader in the design, engineering, and manufacturing of process and storage technologies and equipment for gas and liquid handling. Shares of Chart fell during the quarter as the company missed earnings expectations on revenue recognition timing and lowered full-year guidance. Despite this, fundamentals for the business continue to be very strong, with record revenue, backlog, and margins in the quarter and strong orders, with a book-to-bill greater than one. The issues for the stock continue to be self-inflicted, with management setting too-high expectations and continuing to need to cut them back. After several conversations with management, we believe that they will better set expectations moving forward. Chart is unique in its breadth of technology and solutions capabilities with EBITDA margins growing double digits in long-duration secular growth markets (LNG, hydrogen, carbon capture, water treatment, etc.), and we believe as the near-term expectations-related issues subside, the company will earn the valuation we believe it deserves, driving significant near- and long-term upside in the stock.

Portfolio Structure

Our top 10 holdings represented 29.4% of the portfolio, roughly in line with historical levels.

Table IV.
Top 10 holdings as of September 30, 2024

	Year Acquired	Quarter End Investment Value ($ millions)	Percent of Net Assets (%)
Axon Enterprise, Inc.	2022	57.6	3.8
DraftKings Inc.	2023	48.4	3.2
CyberArk Software Ltd.	2022	46.7	3.1
Kratos Defense & Security Solutions, Inc.	2020	45.3	3.0
CareDx, Inc.	2024	44.8	3.0
Guidewire Software, Inc.	2022	43.1	2.9
Advanced Energy Industries, Inc.	2019	41.6	2.8
PAR Technology Corporation	2018	39.1	2.6
Clearwater Analytics Holdings, Inc.	2021	37.9	2.5
SiteOne Landscape Supply, Inc.	2016	37.7	2.5

Recent Activity

Table V.
Top net purchases for the quarter ended September 30, 2024

	Year Acquired	Quarter End Market Cap ($ billions)	Net Amount Purchased ($ millions)
TWFG, Inc.	2024	1.5	12.6
Inari Medical, Inc.	2020	2.4	8.1
Liberty Media Corporation – Liberty Live	2023	4.7	5.9
SiteOne Landscape Supply, Inc.	2016	6.8	2.9
Montrose Environmental Group, Inc.	2020	0.9	1.9

Our largest purchase during the quarter was **TWFG, Inc.**, a Texas-based insurance broker that supports independent insurance agents in the property and casualty (P&C) space. TWFG primarily helps captive agents make the transition over to independence by offering a turnkey independent agent solution called "Agency-in-a-Box." TWFG provides agents with the carrier relationships needed to sell insurance as an independent agent (these are often hard to obtain as a sole operator), as well as the technology, training, back office, and brand needed to run a successful independent agency. TWFG has a capital efficient business model where the independent agent is responsible for the ongoing expenses of his or her business, while TWFG keeps 20% of the commissions generated.

The U.S. P&C market is over $850 billion in annual premiums, of which over $400 billion is in Personal Lines. Over time, captive agents – who only represent one insurer – have been losing share in distribution to independent agents. Independent agents are not exclusive to any one insurer, so they can offer customers a much broader range of insurance options and thus can write more premiums and earn more commissions, as compared to captive agents. In homeowners' insurance, the share of premiums written by independent agents increased from 41% to 49% from 2011 to 2021 as more agents left captive models and became independents. TWFG is squarely focused on serving this growing pool of independents.

TWFG was founded in 2001 by former insurance agent Gordy Bunch. Bunch has successfully scaled the business to over $1 billion in written premiums while taking in little outside capital, and TWFG now has a presence in over 40 states and serves over 400 TWFG-branded independent agencies. We believe that TWFG can grow by adding more agencies as the secular shift of agents from captive to independent continues, and that the 80/20 commission split is an attractive deal for agents that delivers substantial value while allowing them to retain most of the economics. The industry remains highly fragmented with over 40,000 agents, which provides TWFG with a long runway for growth. Additionally, management has begun to acquire smaller agencies at favorable terms, which increases both revenue and profit margins. We expect management will use the IPO proceeds to accelerate the pace of these accretive acquisitions. We believe that TWFG's long track record of growth, capital-light business model, opportunities for accretive M&A, large addressable market, and a founder-CEO with significant skin-in-the-game make for a compelling investment opportunity.

We added to our position in **Inari Medical, Inc.** in the quarter at what we believe are attractive valuations for a market leading medical device company. Inari offers catheter-based devices to remove clots caused by venous thromboembolism (VTE). VTE is a disease state that manifests as deep vein thrombosis (DVT), in which a clot cuts off blood flow in a deep vein (usually in the leg), and as pulmonary embolism (PE), when the clot in the leg breaks off and circulates to lodge in the blood vessels that supply the lungs. Despite beating its second quarter earnings and raising full-year guidance, Inari shares have been pressured after the release of competitor Penumbra, Inc.'s new product for DVT treatment. Both companies have very good products for DVT. We believe that there are huge opportunities for both companies to grow in DVT (by displacing other treatments), and Inari, in particular, has even bigger opportunities in PE (which it dominates) also by displacing other treatments.

PE and DVT are each markets worth about $3 billion per year (a $6 billion total market opportunity). Right now, about 80% receive just blood thinners which do nothing for existing clots, while only 20% receive any sort of more in-depth intervention. And then of this 20%, still a third are on thrombolytics, which has a high risk of bleeding and require an ICU stay for monitoring. Inari is working on studies that it believes will show superiority of its devices to using lytics or blood thinners. Its first PE study (superiority of an Inari device to using lytics) is due to read out in the fourth quarter of 2024. It has another PE study which should read out over the next couple of years that should help open up the remaining 80% of the PE market (superiority of an Inari device versus using blood thinners). In addition, Inari is at various stages of launching multiple new products (for other venous and arterial blockage conditions) which could unlock nearly $4 billion in additional addressable market opportunities. And it is launching its products in foreign markets as well. In other words, although a portion of its markets are facing increased competition, we believe there is a huge amount of overall growth opportunity that is wide open for Inari, and the stock is trading at a valuation that currently does not reflect these opportunities.

We added to our position in **Liberty Media Corporation – Liberty Live**, a tracking stock whose primary asset is its holdings in Live Nation Entertainment, Inc. (LYV). Live Nation, which produces live concerts and owns Ticketmaster, traded down when the Department of Justice (DOJ) sued the company for anticompetitive behavior. We added to our position in Liberty Live as we do not believe the DOJ suit will lead to the breakup of

Live Nation and we believe that Live Nation trades at a valuation well below its intrinsic value. Shares of both Live Nation and Liberty Live recovered during the quarter, ending the period near their 52-week highs.

Table VI.
Top net sales for the quarter ended September 30, 2024

	Year Acquired	Market Cap When Acquired ($ billions)	Quarter End Market Cap or Market Cap When Sold ($ billions)	Net Amount Sold ($ millions)
Silk Road Medical, Inc.	2019	0.5	1.1	26.3
Tempus AI, Inc.	2024	6.6	8.7	23.2
Definitive Healthcare Corp.	2021	4.0	0.4	12.7
Nova Ltd.	2018	0.7	6.1	7.0
ASGN Incorporated	2022	6.0	4.2	5.6

We sold **Silk Road Medical, Inc.** when it announced it was going to be purchased by Boston Scientific Corporation. We had always been believers in the company's products which address carotid artery blockages through a proprietary, minimal invasive stenting procedure. We addressed why we trimmed **Tempus AI, Inc.** in the contributors section. We sold **Definitive Healthcare Corp.** after owning the company for nearly three years, and it was a very unsuccessful investment despite having fantastic margins, solid free cash flow, and what we viewed as a high-quality health care database. Ultimately, the company will need to find a way to stop the slide in organic growth that has hurt equity value for shareholders.

Outlook

The last three and a half years have been a challenging period for small company stocks. We believe the divergent performance of small-cap growth versus large-cap stocks cannot continue forever and thus, there will be a "reversion to the mean" where small-cap growth stocks can outperform large-cap stocks. The current economic backdrop of lower interest rates and some early signs of better economic growth ahead is more conducive for small-cap company fundamentals and valuations. As we look out over the medium to long term, we believe that investing in small-cap growth stocks over the next three and a half years will be significantly more profitable than it was over the last three and a half years. Thank you for your support.

Randy Gwirtzman
Portfolio Manager

Laird Bieger
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: Specific risks associated with investing in smaller companies include that the securities may be thinly traded and more difficult to sell during market downturns. Even though the Fund is diversified, it may establish significant positions where the Adviser has the greatest conviction. This could increase volatility of the Fund's returns.

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 manager only through the end of the period stated in this report. The portfolio managers' 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 Discovery 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. **Price/Earnings Ratio or P/E (next 12-months)**: is a valuation ratio of a company's current share price compared to its mean forecasted 4 quarter sum earnings per share over the next twelve months. If a company's EPS estimate is negative, it is excluded from the portfolio-level calculation.

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).

Dear Baron Durable Advantage Fund Shareholder:

Performance

Baron Durable Advantage Fund® (the Fund) gained 5.7% (Institutional Shares) during the third quarter which compared to the 5.9% gain for the S&P 500 Index (the Index), the Fund's benchmark.

Year-to-date, the Fund is up 23.3%, outperforming the Index's 22.1% return.

Table I.
Performance
Annualized for periods ended September 30, 2024

	Baron Durable Advantage Fund Retail Shares[1,2]	Baron Durable Advantage Fund Institutional Shares[1,2]	S&P 500 Index[1]
Three Months[3]	5.59%	5.70%	5.89%
Nine Months[3]	23.05%	23.27%	22.08%
One Year	40.10%	40.46%	36.35%
Three Years	14.13%	14.42%	11.91%
Five Years	18.52%	18.80%	15.98%
Since Inception (December 29, 2017)	16.24%	16.52%	13.98%

ALEX UMANSKY

PORTFOLIO MANAGER

Retail Shares: BDAFX
Institutional Shares: BDAIX
R6 Shares: BDAUX

There was a lot going on in the world this quarter. Nevertheless, markets continued to grind higher with large-cap, mid-cap, small-cap, domestic and international, growth and value equities all getting a bid and generating solid returns. Even gold and investment grade bonds were up. We were happy to have kept pace with the Index and consider year-to-date gains of 23.3% (on top of last year's 45.5% rise) to be strong.

Our goal is to outperform the Index by 100 to 150bps per year, net of all fees and expenses over full-market cycles, while minimizing the risk of permanent loss of capital. We seem to be right on track with a 119bps lead at the three quarter mark of 2024. Of course, short-term performance results can be lumpy, as was demonstrated by a 24.8% drawdown in 2022, we will not achieve our goal over every period of time (and likely not over every market cycle). However, we have a lot of conviction in our process, and we think that the last three years were instructive in that when investing in high quality businesses with durable competitive advantages, even significant declines in stock prices do not have to result in permanent losses of capital. Patience, confidence in our analysis of the fundamentals, and a long-term ownership mindset go a long way in securing that outcome. Since inception, almost 7 years ago, the Fund has appreciated 16.5% on an annualized basis, which compares favorably to the Index's 14.0% annualized return and to our targeted range of outperformance.

From a performance attribution perspective, we outperformed in Financials, Health Care, and Communication Services with stock selection in these three categories contributing 145bps to relative returns. The Fund underperformed in Consumer Discretionary, Real Estate, and Information Technology (IT), where stock selection detracted 151bps from relative returns. Not owning Energy stocks (the worst performing sector in the Index during the quarter) added 30bps, while not owning Utilities (the best performing sector during the quarter) was a 30bp drag. All in all, it was uneventful but equated to in-line performance for the quarter.

From a company specific perspective, and inspecting results from the absolute return perspective, we enjoyed a high batting average, as one would expect in a broadly rising stock market, with 28 contributors against just 7 detractors. **Meta**, **Blackstone**, **S&P Global**, and **Brookfield** were our top contributors generating between 65bps and 96bps each, while 17 out of the 28 contributors posted double-digit gains during the quarter. **LPL Financial** was our only double-digit decliner, inflicting a 38bps loss.

Performance listed in the table above is net of annual operating expenses. The gross annual expense ratio for the Retail and Institutional Shares as of September 30, 2023 was 1.40% and 1.00%, respectively, but the net annual expense ratio was 0.95% and 0.70% (net of the Adviser's fee waivers), 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 Adviser waives and/or reimburses certain Fund expenses pursuant to a contract expiring on August 29, 2035, 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 BaronCapitalGroup.com or call 1-800-99-BARON.

[1] The **S&P 500 Index** measures the performance of 500 widely held large cap U.S. companies. The Fund includes reinvestment of dividends, net of withholding taxes, while the S&P 500 Index includes reinvestment of dividends before taxes. Reinvestment of dividends positively impacts the performance results. The index is 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] Not annualized.

BARON FUNDS® 1987

Baron Durable Advantage Fund

For the first time since the market began its recovery in 2023, Index returns were NOT dominated by the *Magnificent Seven*, which contributed 55bps (or 9%) of the quarterly return while now comprising 31% of the Index. This compares to the Magnificent Seven accounting for 59% of the gains in the first half of the year and to 62% of the Index's total return in 2023 when the group averaged approximately 28% of its weight. After signaling that the easing cycle was upon us, the Federal Reserve (the Fed) has finally cut interest rates by 50bps in September which we think caused investors to start looking beyond the Magnificent Seven and resulted in increased participation and improved market breadth. More importantly, the majority of our companies continue to execute well with their stock performance driven more by growth in fundamentals rather than multiple expansion. In the third quarter, while the Fund gained 5.7%, the weighted average multiple of its holdings expanded by just 0.3%[1], which suggests that the remaining 5.4% can be attributed to the improvement in the business fundamentals. Having said that, there is no question that a recovery in multiple has played a part in this year's gains for the Index and for the Fund. Based on our calculations multiple expansion has accounted for approximately 7.2% of the Fund's 23.3% year-to-date gain, implying that 16.1% of the rise can be traced to the improved fundamentals of the businesses we own. Of course, multiples go up or down every year, depending on the macro environment, investor psychology, geopolitical situations, etc., and multiple expansion (or contraction) can have a disproportionate impact on the Fund's performance over the short term, as it did in 2022 when the Fund's multiple declined 26.1%. However, we are subscribers to Benjamin Graham's view that over the short term the market is a voting machine but over the long term it is a weighing machine. Over the last 5 years, the Fund has appreciated 136.6% on a cumulative basis, with 89% of that attributable to the improvement in fundamentals. We believe that stock prices can fluctuate, sometimes wildly, as a result of the changes in multiples investors are willing to pay based on current circumstances, but that over the long term they will almost always come to reflect the factual and quantifiable fundamentals that underline their businesses.

Going one layer deeper, we analyzed the change in the weighted average consensus expectations for 2024, for revenues, operating income, and operating margins. Revenue expectations for 2024 increased 1.0% (after increasing 0.9% last quarter), operating income expectations increased by 1.7% (increased by 2.5% last quarter), and operating margin expectations increased by 16bps (increased by 24bps last quarter). Overall, business trends continue to be solid, with an increase in revenue expectations for 2024 in most of our sectors and an increase in operating income expectations in all of our segments:

- 1.1% revenue and 3.0% operating income increase in Communication Services – Meta, for example, reported *"broad-based strength across regions and verticals"* and that their core AI investments (using AI to improve engagement as well as the targeting and impact of ads) are seeing *"strong returns as improvements to both engagement and ad performance have translated into revenue gains"*
- 1.5% revenue and 2.2% operating income increase in IT – we've seen broad strength with increases in all sub-industries including software, semiconductors, and IT consulting with the strongest positive revisions continuing to be in semiconductors, led by the AI investment cycle. For example, **Monolithic Power** reported 290% year-over-year growth in its Enterprise Data segment, offsetting weakness elsewhere and driving the company to overall revenue growth of 15%. **Broadcom** guided it's AI-related revenues to reach $12 billion for the year up from a prior guidance of $11 billion, and **NVIDIA** continues to report unprecedented growth at scale with its datacenter segment revenues now at over a $100 billion revenue run rate, growing at above 2.5 times year-over-year.
- 1.4% revenue and 2.1% operating income increase in Financials – the rating agencies, S&P Global and **Moody's** are benefiting from a robust issuance market, while our alternative asset managers such as Blackstone and Brookfield are seeing solid fundraising and deployment trends.

We have a lot of confidence in our process and continue to believe that we put together the right collection of competitively advantaged companies with durable growth characteristics and great management teams. We think that rolling monthly returns can be a useful way to measure whether we are achieving our goals. Over the very short term, our strategy has outperformed in just over half of the observations. But as the time period lengthens, our win percentage improves markedly. On a rolling monthly basis, we have outperformed the Index 61% of the time over 1-year, 76% of the time over 3-years, and 95% of the time over 5-years. The numbers are even better when compared to our universe of peers.

Rolling Return Period	1 Month	3 Months	1 Year	3 Years	5 Years
Fund Outperformance versus S&P 500 Index	57%	62%	61%	76%	95%
Fund Outperformance versus Morningstar Large Growth Category Average	51%	61%	71%	85%	100%

The performance data quoted represents past performance. Past performance is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. The index is unmanaged. Index performance is not Fund performance. Investors cannot invest directly in an index.

Sources: Baron Capital, S&P Global Inc., and Morningstar Direct.

Table II.
Top contributors to performance for the quarter ended September 30, 2024

	Quarter End Market Cap ($ billions)	Contribution to Return (%)
Meta Platforms, Inc.	1,448.3	0.96
Blackstone Inc.	187.0	0.70
S&P Global Inc.	165.4	0.66
Brookfield Corporation	87.3	0.65
MSCI Inc.	45.8	0.45

[1] We calculate the change in the P/E or P/FRE (FRE = Fee Related Earnings) multiple on next 12 months consensus estimates (as collected by FactSet) for each holding (we use P/FRE for Blackstone and Apollo) between June 30, 2024 and September 30, 2024. We then calculate the weighted average based on the weights in the Fund as of the end of the third quarter.

Shares of **Meta Platforms, Inc.**, the world's largest social network, were up 13.6% this quarter after reporting impressive quarterly results with 22% year-over-year revenue growth and 38% operating margins. Despite its size, Meta continues to find opportunities such as Instagram Reels to outgrow the broader digital advertising industry. Our industry checks have validated advertiser adoption and satisfaction, with particular improvements in monetizing Reels and click-to-message ads. Meta is a leading innovator in the use of generative AI (Gen AI), with a dedicated AI research lab and the best open-source models to date, and its core apps are starting to incorporate Gen AI in the user experience. Longer term, we believe Meta will leverage its leadership in mobile advertising, massive user base, innovative culture, leading Gen AI research and potential distribution, and technological scale to perform, with additional monetization opportunities ahead.

Blackstone Inc. is the world's largest alternative asset manager with $1 trillion of assets under management. Shares increased 24.4% on strong fundraising results with $39 billion of inflows in the quarter and a step-up in capital deployment with $34 billion deployed, as well as solid realizations of $23.5 billion with continued ample dry powder of $181 billion. We retain conviction in Blackstone due to its strong brand, unmatched fundraising track record, and durable fee stream underpinned by long term or perpetual capital.

Shares of rating agency and data provider **S&P Global Inc.** rose 16.1% due to solid quarterly performance and operating momentum. The company reported better-than-expected results, with growth in revenue of 14% and EPS of 30%, leading to an increase in full-year guidance. Elevated bond issuance continued in the third quarter due to falling interest rates, favorable economic conditions, and tight credit spreads. The company also reported billed issuance growth of 124% in July and 51% in August, which should drive robust near-term performance for the Ratings segment. We also think equity market strength will support continued upside for the Indices segment. We remain shareholders due to the company's durable growth and significant competitive advantages.

Table III.
Top detractors from performance for the quarter ended September 30, 2024

	Quarter End Market Cap ($ billions)	Contribution to Return (%)
Alphabet Inc.	2,049.7	–0.52
LPL Financial Holdings Inc.	17.4	–0.38
Microsoft Corporation	3,198.4	–0.36
Amazon.com, Inc.	1,955.6	–0.31
Adobe Inc.	227.9	–0.17

Alphabet Inc. is the parent company of Google, the world's largest search and online advertising company. Shares of Alphabet declined 8.7% in the third quarter, reflecting potential downside from two antitrust trials against Google and investor uncertainty about Google's ability to navigate a Gen AI-first world. The Justice Department has alleged that Google Search is a monopoly, and Google's ad tech division is currently under trial. While we do not believe that significant negative structural remedies to Google's business (especially on the Search side) are likely, uncertainty remains, which is impacting the stock. We are also monitoring the quickly evolving Gen AI technology and the potential implications on consumer behavior around Search, including the shift to chatbot-first form. On the positive side, trends in Alphabet's Google Cloud Platform remain positive, and advances in Gen AI should produce improvements in products in adjacent fields (e.g., travel) as well as in the core success of Google's customers (the advertisers) through better, more personalized advertising that should generate superior return on ad spend.

LPL Financial Holdings Inc. is an independent broker-dealer with over $1.5 trillion of client assets under management. Shares of LPL declined 16.6% in the quarter. As an asset custodian LPL is able to invest idle client cash, which comprises less than 4% of its assets under management, into interest-bearing deposits that contribute a significant amount to revenue and earnings. Shares fell after the sector was hit by fears that regulators could force broker-dealers such as LPL to pay much higher deposit rates to customers, reducing the revenue and earnings they can obtain from idle client cash. These fears were driven by pricing changes by competitors such as Wells Fargo and Bank of America. We are actively monitoring these developments but have not yet seen evidence that the regulatory changes will occur, and LPL has expressed confidence that it is compliant and will not have to increase rates. In any case, we believe that the current valuation offers a positively skewed risk/reward equation. LPL's organic growth has remained strong, and we remain investors.

Microsoft Corporation is a leading software company targeting the entire market, including both infrastructure and applications. Shares gave back some gains from the prior quarter, declining 3.6%. Despite delivering slightly better revenue results, core Azure growth came up just shy of expectations with growth of 30% year-over-year in constant currency (1% below expectations), as a result of a soft European market and continued constraints on supply capacity in AI. Commercial bookings improved on the back of large deals for Azure, giving the company good visibility into the first half of fiscal 2025. Profitability was in line with expectations with 43% operating margins, as was EPS on continued good cost discipline. While Microsoft reiterated its fiscal 2025 guidance of double-digit top-line and operating income growth, quarterly guidance called for Azure growth to slow before accelerating later in the fiscal year as capital expenditure increases. We believe this investment is a leading indicator for growth, with more than half of the spend related to durable land and data center build-outs, which should monetize over the next 15-plus years. We remain investors.

Portfolio Structure

The portfolio is constructed on a bottom-up basis with the quality of ideas and conviction level, rather than benchmark composition and weights, determining the size of each individual investment. Sector weights tend to be an outcome of the stock selection process and are not meant to indicate a positive or a negative view.

As of September 30, 2024, our top 10 positions represented 48.8% of the Fund's net assets, and the top 20 represented 75.5%, and we exited the quarter with 34 investments, up from 32 at the end of the second quarter.

IT and Financials represented 59.1% of the Fund. Communication Services, Health Care, and Consumer Discretionary represented another 28.0% while the remaining 12.9% were invested in Industrials, Real Estate, and Consumer Staples as well as in cash.

Table IV.
Top 10 holdings as of September 30, 2024

	Quarter End Market Cap ($ billions)	Quarter End Investment Value ($ millions)	Percent of Net Assets (%)
Microsoft Corporation	3,198.4	37.8	8.0
Meta Platforms, Inc.	1,448.3	32.7	6.9
Amazon.com, Inc.	1,955.6	30.2	6.4
NVIDIA Corporation	2,978.9	22.0	4.6
S&P Global Inc.	165.4	20.1	4.2
Taiwan Semiconductor Manufacturing Company Limited	900.7	19.2	4.1
Broadcom Inc.	805.7	18.6	3.9
Alphabet Inc.	2,049.7	18.5	3.9
Moody's Corporation	86.4	16.0	3.4
Visa Inc.	557.2	15.5	3.3

Recent Activity

The Fund continues to benefit from significant inflows. During the quarter, we added to 11 of our existing holdings, with the largest being: **Amazon**, **NVIDIA**, **Mettler-Toledo**, and **Apollo**. We also initiated 3 new positions: a leading aerospace & defense supplier, **TransDigm**, the leading government-focused consulting company, **Booz Allen,** and the leading cold storage REIT, **Lineage**. We reduced 11 existing positions and sold out of our small industrial holding, **TE Connectivity**.

Table V.
Top net purchases for the quarter ended September 30, 2024

	Quarter End Market Cap ($ billions)	Net Amount Purchased ($ millions)
TransDigm Group Incorporated	80.1	8.1
Booz Allen Hamilton Holding Corporation	21.0	5.8
Lineage, Inc.	17.8	2.4
Amazon.com, Inc.	1,955.6	1.9
NVIDIA Corporation	2,978.9	1.5

TransDigm Group Incorporated was our largest new purchase during the third quarter. TransDigm is a leading designer, manufacturer, and supplier of aerospace and defense solutions. With a 90% proprietary portfolio, the company has best-in-class pricing power with mid-single digit pricing growth through the cycle, operating in a highly attractive, fragmented industry that is supported by long-term secular tailwinds of growth in air travel with customer stickiness, longevity of design wins, and attractive unit economics. While the company earns a modest return on original equipment parts, it is able to earn high margins on after-market replacement parts for aircraft staying in service for decades. TransDigm's parts are custom designed at the pre-production stage and are approved by the Federal Aviation Administration (FAA) and aircraft manufacturers, making it more challenging and riskier for customers to replace the company in the supply chain once the part has been approved as the potential cost savings are usually not attractive enough for the time it takes and the risks involved in approving an alternative. Additionally, its low cost, low volume product set makes it difficult for PMA (generic) providers to re-engineer the products and undercut the company's prices for most parts.

Noted for its heavily decentralized structure that incentivizes business unit managers to perform with larger equity compensation packages than peers, the company continues to find ways to operate more efficiently, driving EBITDA margins up consistently to the low 50s today with a pathway to mid-high 50s margins over the next several years.

Management also has a disciplined strategy of deploying capital through acquisitions, focused on finding targets with proprietary aerospace/defense-oriented solutions while returning the remaining capital to shareholders via special dividends. The team has made approximately 50 acquisitions over the last 30 years. Co-founder Nick Howley built the company into what it is today with current CEO Kevin Stein stepping into the role in 2018 following Nick's retirement and successfully continuing along the path Nick set. We believe TransDigm is one of the best-run industrial companies setting the gold standard for industrial compounders globally.

We also initiated a new position in **Booz Allen Hamilton Holding Corporation**, which is a premier government services consultant. Booz Allen employs over 35,000 people, who provide civil and military government services to the federal government and 65% of whom have security clearances. Booz Allen's consultants are considered to be the best at tackling sensitive and high-priority cybersecurity, intelligence, defense, and spending efficiency projects. The company is an industry leader and has historically outgrown the defense budget and peers by 2% to 4% per year across market cycles. Under longtime CEO, Horacio Rozanski, the company has thoughtfully invested in AI, cybersecurity, software, and other advanced technologies to stay ahead of peers and remain an important partner in providing mission-critical and highly technical solutions. Currently, Booz Allen is the largest single provider of AI services to the federal government.

With the world unfortunately not becoming safer, and with the return of great power competition with Russia and China, we believe that the defense budget would sustain durable growth while the need for Booz Allen's solutions will only expand over time. We expect to see durable overall budget growth across the government for mission-critical, technology-oriented endeavors. Booz Allen will continue to outgrow peers by 2% to 4% a year, translating to mid- to high single-digit organic revenue growth with a stated objective of using M&A as an accelerant to bring new critical capabilities to the firm that could see overall growth closer to a low double-digit rate. Providing these hard-to-replicate, necessary solutions should enable better pricing and slightly higher margins over time as well. With a forward-thinking CEO and management team, unique set of solutions tailored for the current environment and its talented workforce, Booz Allen is set to compound value for investors the foreseeable future.

Our last new purchase during the third quarter was cold storage REIT, **Lineage, Inc.** Lineage is the global leader in the temperature-controlled logistics industry. It owns 482 temperature-controlled warehouse facilities, with 2.9 million cubic feet and 9.8 million pallet positions in 19 countries. The company has 33% market share in the U.S. (#2 Americold has 19% share, #3 US Cold has 6% share, #4 Interstate has 2% share, all others less than 1.3%) and 12% globally (#2 Americold has 6% share, #3 US Cold has 1.6% share, NewCold has 1.0%, all others less than 1%).

Lineage owns an irreplaceable portfolio with dominant share in high-barrier markets including limited land availability, high replacement costs, and difficulties in obtaining land and zoning entitlements. Demand for its space is resilient and non-cyclical, driven by frozen and refrigerated food consumption. The company also has pricing power because temperature-controlled warehousing is mission critical to customers and often represents a relatively modest expense compared to their other supply-chain costs and a small portion of the overall costs of goods sold. Lineage also benefits from scale thanks to better data and technology as compared with less sophisticated peers. We also like the company's high quality management team that are well aligned with shareholders and that have proven to be strong operators and capital allocators with 115 acquisitions completed in the last 15 years, two-thirds of which have been sourced proprietarily.

We also utilized our inflows and took advantage of the correction in the shares of **Amazon.com, Inc.** and **NVIDIA Corporation** to add to our positions in these high quality compounders. Amazon is trading at valuation multiples close to the lowest levels in its history with its P/E multiple down 10% in the third quarter and 20% year-to-date. Considering the company's wide competitive moat and durability of growth with cloud still representing less than 20% of overall IT spend and e-commerce less than 20% of retail, we believe shares are attractive. Similarly, we believe that NVIDIA will continue to be the prime beneficiary of AI, making the recent correction in the stock price a good place to add to our existing position.

Table VI.
Top net sales for the quarter ended September 30, 2024

	Quarter End Market Cap or Market Cap When Sold ($ billions)	Net Amount Sold ($ millions)
Adobe Inc.	227.9	3.1
Intuit Inc.	174.1	2.2
CME Group, Inc.	79.5	2.2
TE Connectivity Ltd.	48.6	1.1
Visa Inc.	557.2	0.7

Outlook

As in years past, we have little to offer in the way of a market outlook. Has inflation been tamed? Will we get two more interest rate cuts the rest of this year or none? Harris or Trump? While these questions are not new, the answers remain elusive, and once they get answered, other, similar questions will arise. We practice a probabilistic approach to investing and for the time being we expect to continue to operate in an environment where the range of outcomes will remain relatively wide.

We can, however, offer the following observations. We started the year with a majority of market participants expecting an economic recession, or at a minimum, a hard landing. Since 1955, every time but once, whenever the yield curve had inverted, a recession followed within 6 to 24 months[1]. Over the last 9 months, as the economy proved to be more resilient, the conversation has shifted to the likelihood of a soft landing or possibly even no landing. After posting a 1.6% reading in the March quarter, the U.S. real GDP accelerated to 3% growth in the second quarter of 2024. The unemployment rate remained steady at 4.1%, while inflation continued to soften, hitting 2.4% in September, the lowest rate since February 2021. Then, we finally got an interest rate cut (the 50bps variety), which we believe is the beginning of the Fed easing cycle, which should, in time, stimulate the economy further and rekindle investor interest in broader growth stocks. In the meantime, future cash flows discounted to present time at lower rates increase the intrinsic values of businesses creating a welcome tailwind, indeed.

Importantly, we do not structure or position the portfolio to benefit from any particular market environment. Instead, we focus on investing in high quality businesses – companies with durable competitive advantages, strong balance sheets, and exceptional management teams with a proven track record of operational excellence and successful capital allocation. These companies tend to be leaders in their industries and sell critical products and services to their customers that are hard to replace. That creates stickiness, high switching costs, and pricing power, that enable them to be resilient in the face of macro-economic challenges while continuing to invest in future growth opportunities to take market share and to emerge stronger when the environment inevitably improves.

The rapid advancement of Gen AI technology presents both clear risks and compelling opportunities. While the implications of AI on the global economy and on particular industries and businesses are not yet clear, we believe our portfolio includes many companies that are well-positioned to benefit from this technological paradigm shift, without taking any significant risk of permanent loss of capital.

Every day, we live and invest in an uncertain world. Well-known conditions and widely anticipated events, such as Federal Reserve rate changes, ongoing trade disputes, government shutdowns, and the unpredictable behavior of important politicians the world over, are shrugged off by the financial markets one day and seem to drive them up or down the next. We often find it difficult to know why market participants do what they do over the short term. The constant challenges we face are real and serious, with clearly uncertain outcomes. History would suggest that most will prove passing or manageable. The business of capital allocation (or investing) is the business of taking risk, managing the uncertainty, and taking advantage of the long-term opportunities that those risks and uncertainties create. We are confident that our process is the right one, and we believe that it will enable us to make good investment decisions over time.

Our goal is to invest in large-cap companies with, in our view, strong and durable competitive advantages, proven track records of successful capital allocation, high returns on invested capital, and high free-cash-flow generation, a significant portion of which is regularly returned to shareholders in the form of dividends or share repurchases. It is our belief that investing in great businesses at attractive valuations will enable us to earn excess risk-adjusted returns for our shareholders over the long term. We are optimistic about the prospects of the companies in which we are invested and continue to search for new ideas and investment opportunities.

Sincerely,

Alex Umansky
Portfolio Manager

[1] https://www.frbsf.org/research-and-insights/publications/economic-letter/2018/03/economic-forecasts-with-yield-curve/

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 Fund invests primarily in equity securities, which are subject to price fluctuations in the stock market. In addition, because the Fund invests primarily in large-cap company securities, it may underperform other funds during periods when the Fund's securities are out of favor.

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 Fifth Avenue Growth Fund by anyone in any jurisdiction where it would be unlawful under the laws of that jurisdiction to make such offer or solicitation.

Upside Capture explains how well a fund performs in time periods where the benchmark's returns are greater than zero. **Downside Capture** measures how well a fund performs in time periods where the benchmark's returns are less than zero. **Price/Earnings Ratio or P/E (next 12-months)**: is a valuation ratio of a company's current share price compared to its mean forecasted 4 quarter sum earnings per share over the next twelve months. If a company's EPS estimate is negative, it is excluded from the portfolio-level calculation. **Free Cash Flow (FCF)** represents the cash that a company generates after accounting for cash outflows to support operations and maintain its capital assets. **EPS Growth Rate** (3-5-year forecast) indicates the long term forecasted EPS growth of the companies in the portfolio, calculated using the weighted average of the available 3-to-5 year forecasted growth rates for each of the stocks in the portfolio provided by FactSet Estimates. The EPS Growth rate does not forecast the Fund's performance.

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).

DEAR BARON REAL ESTATE INCOME FUND SHAREHOLDER:

PERFORMANCE

Baron Real Estate Income Fund® (the Fund) generated strong performance in the third quarter of 2024, gaining 16.25% (Institutional Shares). The Fund slightly outperformed the MSCI US REIT Index (the REIT Index), which increased 15.79%.

Since inception on December 29, 2017 through September 30, 2024, the Fund's cumulative return of 87.52% was nearly double that of the REIT Index, which increased 45.74%.

As of September 30, 2024, the Fund has maintained high rankings from Morningstar for its performance:

- **#4 ranked real estate fund for its 5-year performance period**
- **#4 ranked real estate fund ranking since the Fund's inception on December 29, 2017**

Notably, the only real estate fund that is ranked higher than the Baron Real Estate Income Fund for the trailing 5-year and since inception periods is the other real estate fund that we manage, Baron Real Estate Fund, which has three share classes.

We will address the following topics in this letter:

- Our current top-of-mind thoughts
- Portfolio composition
- Top contributors and detractors to performance
- Recent activity
- Concluding thoughts on the prospects for real estate and the Fund

OUR CURRENT TOP-OF-MIND THOUGHTS

The key message from our second quarter shareholder letter was that we believed it was an attractive time to increase exposure to public real estate given our view of favorable valuations, expectations of Federal Reserve interest rate cuts, and generally solid, albeit slowing, business prospects. In the most recent quarter, the Fund increased 16.25%.

JEFFREY KOLITCH
PORTFOLIO MANAGER

Retail Shares: BRIFX
Institutional Shares: BRIIX
R6 Shares: BRIUX

As we peer into the fourth quarter of 2024 and the full year 2025, we continue to believe now is an attractive time to invest in real estate.

BOTTOM LINE: WE REMAIN BULLISH.

Additional top-of-mind thoughts are as follows:

The dark clouds over real estate are lifting

For the last five years, real estate fears have been rampant. Concerns about COVID's negative impact on certain segments of real estate, sharply higher interest rates, bank failures, commercial real estate crisis fears, and recession concerns have cast a dark cloud over real estate.

We have been vocal for some time that real estate-related fears are exaggerated and hyperbole.

Now there is emerging evidence that the dark clouds over real estate are lifting, and brighter days are on the horizon.

As of 9/30/2024, the Morningstar Real Estate Category consisted of 238, 229, 210, and 211 share classes for the 1-, 3-, 5-year, and since inception (12/29/2017) periods. Morningstar ranked Baron Real Estate Income Fund Institutional Share Class in the 55th, 43rd, 2nd, and 2nd percentiles for the 1-, 3-, 5-year, and since inception periods, respectively. On an absolute basis, Morningstar ranked Baron Real Estate Income Fund Institutional Share Class as the 126th, 91st, 5th, and 4th best performing share class in its Category, for the 1-, 3-, 5-year, and since inception periods, respectively.

As of 9/30/2024, Morningstar ranked Baron Real Estate Income Fund R6 Share Class in the 55th, 41st, 2nd, and 2nd percentiles for the 1-, 3-, 5-year, and since inception periods, respectively. On an absolute basis, Morningstar ranked Baron Real Estate Income Fund R6 Share Class as the 124th, 87th, 4th, and 5th best performing share class in its Category, for the 1-, 3-, 5-year, and since inception periods, respectively.

Morningstar calculates the Morningstar Real Estate Category Average performance and rankings using its Fractional Weighting methodology. Morningstar rankings are based on total returns and do not include sales charges. Total returns do account for management, administrative, and 12b-1 fees and other costs automatically deducted from fund assets. Since inception rankings include all share classes of funds in the Morningstar Real Estate Category. Performance for all share classes date back to the inception date of the oldest share class of each fund based on Morningstar's performance calculation methodology.

Table I.
Performance
Annualized for periods ended September 30, 2024

	Baron Real Estate Income Fund Retail Shares[1,2]	Baron Real Estate Income Fund Institutional Shares[1,2]	MSCI US REIT Index[1]	S&P 500 Index[1]
Three Months[3]	16.16%	16.25%	15.79%	5.89%
Nine Months[3]	16.11%	16.25%	14.82%	22.08%
One Year	32.36%	32.69%	32.74%	36.35%
Three Years	2.97%	3.22%	3.73%	11.91%
Five Years	10.13%	10.41%	4.24%	15.98%
Since Inception (December 29, 2017) (Annualized)	9.53%	9.76%	5.74%	13.98%
Since Inception (December 29, 2017) (Cumulative)[3]	84.81%	87.52%	45.74%	141.87%

- Business conditions, though moderating, are still growing and do not foretell a significant decline in growth.
- We continue to see attractive demand versus supply prospects. Vacancies are low, rents and home prices continue to increase albeit at a slower rate, and competitive new construction is modest for most commercial and residential sectors and geographic markets *(see below)*.
- Most balance sheets are in strong shape and real estate companies are refinancing at lower rates than last year.
- The banking system is well capitalized, with ample liquidity.
- Federal Reserve interest rate cuts bode well for real estate *(see below)*.
- Several public real estate companies have underperformed the S&P 500 Index since 2019, and we believe there is a "catch up" opportunity.
- Much of public real estate has been repriced for a higher cost of capital, and valuations are now attractive *(see below)*.

Interest rate cuts bode well for real estate

Federal Reserve Chairman Jay Powell on September 18, 2024, said the following:

"We think that it's time to begin the process of ***recalibrating*** it (the federal funds rate) to a level that's more neutral, rather than restrictive."

Jay Powell used the word "recalibrate" nine times following the Federal Reserve's decision to cut interest rates 50 basis points to signal, in our opinion, that more interest rate cuts are expected later in 2024, 2025, and perhaps after that. ***We believe a recalibration of interest rates to much lower levels will be bullish for real estate and the Fund.***

Lower borrowing costs and tighter credit spreads tend to:

- Support real estate valuations
- Reduce the weight of debt refinancings
- Reignite the real estate transaction market
- Instill more optimism in tenants about the prospects for their businesses
- Increase the attractiveness of REIT dividend yields compared with other debt and cash-equivalent securities

The Fund excelled during the two most recent interest rate cut periods. The Federal Reserve cut interest rates in both 2019 and 2020. The Fund gained 36.5% in 2019 and 22.3% in 2020, far outdistancing the REIT Index in both years. We are optimistic the Fund will perform well, once again, during the recently initiated rate cut cycle.

The real estate recovery is likely to be faster than expected

In prior real estate cycles, a poorly timed combination of excessive use of debt and overbuilding of homes and commercial real estate (collectively the "*curses of real estate*"), led to real estate downturns that, in some cases, were severe.

- The 1980s saw a boom in commercial construction which led to a correction in the late 1980s and early 1990s.
- The rapid supply of newly built homes and the excessive use of subprime mortgages and lax lending standards led to the global financial crisis of 2007 and 2008.

Today, we believe the real estate market is much healthier than in prior real estate cycles and this important point is not widely appreciated.

- Healthy balance sheets: Most real estate balance sheets are in far better shape than in prior real estate cycles. Leverage levels, the use of fixed versus floating rate debt, and the staggering of debt maturities are far superior then in the past. For example, REIT leverage levels (net debt divided by cash flow) are approximately 5.5 times today versus more than 8.5 times during the global financial crisis of 2007 and 2008.

Performance listed in the above table is net of annual operating expenses. The gross annual expense ratio for the Retail Shares and Institutional Shares as of December 31, 2023 was 1.32% and 0.96%, respectively, but the net annual expense ratio was 1.05% and 0.80% (net of the Adviser's fee waivers), 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 Adviser waives and/or reimburses certain Fund expenses pursuant to a contract expiring on August 29, 2035, 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 BaronCapitalGroup.com or call 1-800-99-BARON.

1 The **MSCI US REIT Index Net (USD)** is designed to measure the performance of all equity REITs in the U.S. equity market, except for specialty equity REITs that do not generate a majority of their revenue and income from real estate rental and leasing operations. The **S&P 500 Index** measures the performance of 500 widely held large-cap U.S. companies. MSCI is the source and owner of the trademarks, service marks and copyrights related to the MSCI Indexes. The MSCI US REIT Index and the Fund include reinvestment of dividends, net of foreign withholding taxes, while the S&P 500 Index includes reinvestment of dividends before taxes. Reinvestment of dividends positively impacts 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 Not annualized.

- Limited new construction: In the last few years, the steep increase in land prices, labor costs, and material prices has curtailed commercial real estate development because, in most cases, new development has not been economical. The U.S. is building a similar number of homes and apartments today as it did 60 years ago – approximately 1.5 million homes – despite the fact that the U.S. population is approximately 340 million people versus 180 million 60 years ago!
- High occupancy levels: Several real estate categories have occupancy levels above 90% including apartments, industrial warehouses, single-family rental homes, manufactured housing, and others.

Relative to prior real estate cycles which were burdened with excessive debt and an overbuilding of real estate, today's healthier balance sheets, limited supply of residential and commercial real estate, and high occupancy levels should lead to better-than-expected rent growth, home price appreciation, and cash flow generation in the years ahead.

There are compelling valuations in public real estate

Several real estate segments and individual companies remain attractively valued despite recent share price appreciation. A few examples include:

- REITs: *Green Street Advisors*, a highly regarded real estate and REIT research company, noted in a report published on September 25, 2024, that the historic underperformance of REITs versus the S&P 500 Index is near the highest levels in the last 20 years. Green Street also believes that REIT valuations are cheap versus the S&P 500 and several years of strong REIT returns (or S&P 500 underperformance) would be required to close the valuation gap. We agree with Green Street's observations. We believe several REIT categories are attractively valued including hotel, office, retail, and other individual REITs.
- Non-REIT real estate companies: We believe certain dividend-paying non-REIT real estate companies are attractively valued and offer superior growth prospects than REITs.
- A few examples of attractively valued REIT and non-REIT real estate companies
    - **Vornado Realty Trust:** At its recent share price of $39, Vornado's office and retail portfolio remains highly discounted from the private market value of its real estate portfolio and at a meaningful and unwarranted discount relative to certain publicly traded REIT peers.
    - **The Macerich Company:** Shares of this "A" quality mall landlord are highly discounted versus public peers and private market values. We are optimistic about the two to three-year prospects for Macerich following the announcement of its new highly regarded CEO, Jackson Hsieh, who we believe will unlock value by selling non-core real estate properties and repaying debt.
    - **Park Hotels & Resorts Inc.:** At its recent share price of only $14, Park shares are valued at a meaningful discount to its peers, underlying replacement cost and the market value of its assets.
    - **Brookfield Corporation:** The recent share price of this best-in-class real asset-related alternative asset manager is only $53 and compares favorably to management's estimate of its current net asset value of $84 and its expectation of $176 in five years.

We believe the Fund is a compelling mutual fund option

We continue to believe our approach to investing in REITs and non-REIT real estate companies will shine even brighter in the years ahead, in part due to the rapidly changing real estate landscape which, in our opinion, requires more discerning analysis.

Portfolio Composition

As of September 30, 2024, we invested the Fund's net assets as follows: REITs (80.1%), non-REIT real estate companies (18.3%), and cash (1.6%). We currently have investments in 11 REIT categories. Our exposure to REIT and non-REIT real estate categories is based on our research and assessment of opportunities in each category on a bottom-up basis (See Table II below).

Table II.
Fund investments in REIT categories as of September 30, 2024

		Percent of Net Assets (%)
REITs		80.1
Health Care REITs	15.6	
Data Center REITs	14.7	
Industrial REITs	10.3	
Multi-Family REITs	8.4	
Shopping Center REITs	6.0	
Mall REITs	5.9	
Office REITs	5.7	
Single-Family Rental REITs	4.4	
Hotel REITs	4.2	
Wireless Tower REITs	3.1	
Other REITs	1.8	
Non-REIT Real Estate Companies		18.3
Cash and Cash Equivalents		1.6
Total		**100.0***

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

REITs

Business fundamentals and prospects for many REITs remain solid although, in most cases, growth is slowing due to debt refinancing headwinds, a moderation in organic growth (occupancy, rent and/or expense pressures), reduced investment activity (acquisitions and development), and, in a few select instances, the impacts from transitory oversupplied conditions. Most REITs enjoy occupancy levels of more than 90% with modest new competitive supply forecasted in the next few years due to elevated construction costs and contracting credit availability for new construction. Balance sheets are in good shape. Several REITs have inflation-protection characteristics. Many REITs have contracted cash flows that provide a high degree of visibility to near-term earnings growth and dividends. Dividend yields are generally well covered by cash flows and are growing.

REIT valuations are attractive on an absolute basis relative to history and relative to several private market valuations. We expect REITs to benefit from the recent Federal Reserve pivot from increasing interest rates to decreasing interest rates. Lower borrowing costs and tighter credit spreads should reduce the weight of debt refinancings, increase the attractiveness of REIT dividend yields, reignite the real estate transaction market, and support an improvement in valuations as valuation multiples expand (e.g., capitalization rates compress).

Summary REIT and Non-REIT Category Commentary

Health Care REITs (15.6%)

- **We maintain a favorable view of the multi-year prospects for senior housing** and remain bullish on the outlook for **Welltower Inc.** and **Ventas, Inc.** We believe senior housing real estate is likely to benefit from favorable cyclical and secular growth opportunities in the next few years. Fundamentals are improving (rent increases and occupancy gains) against a backdrop of muted supply growth due to punitive financing and construction costs. The long-term demand outlook is favorable, driven in part by an aging population (baby boomers and the growth of the 80-plus population), which is expected to accelerate in the years ahead. Expense pressures (labor shortages/other costs) are abating, and we believe highly accretive acquisition opportunities may surface, particularly for Welltower given its cost of capital advantage. The Fund also maintains an investment in **Healthpeak Properties, Inc.**

Data Center REITs (14.7%)

- **We maintain conviction in the multi-year favorable prospects for data centers**. Data center landlords such as **Equinix, Inc.** and **Digital Realty Trust, Inc.** are benefiting from record low vacancy, demand outpacing supply, more constrained power availability, and rising rental rates. Several secular demand vectors, which are currently broadening, are contributing to robust fundamentals for data center space globally. They include the outsourcing of information technology infrastructure, increased cloud computing adoption, the ongoing growth in mobile data and internet traffic, and AI as a new wave of data center demand. Put simply, each year data continues to grow exponentially, and all of this data needs to be processed, transmitted, and stored – supporting increased demand for data center space. In addition, while it is still early innings, we believe AI could not only provide a source of incremental demand but also further accelerate existing secular trends by driving increased prioritization and additional investment in digital transformation among enterprises. Aside from positions in Equinix and Digital Realty, the Fund also recently initiated a position in **Iron Mountain Incorporated**, which we consider a data center REIT even though GICS classifies the company in other specialized REITs (shown as Other REITs in Table II).

Industrial REITs (10.3%)

- **We remain cautious in the near term** due to demand normalizing to pre-pandemic levels (elongated corporate decision making), elevated supply deliveries in first half of 2024, moderating rent growth in certain geographic markets, inventory de-stocking, and pricey headline valuations relative to other REIT categories.
- **We are long-term bullish** as the demand/supply outlook remains compelling on a multi-year basis (deliveries expected to drop 50% to 75% in the second half of 2024), in-place rents that are generally more than 35% below market rents, strong visibility into high single-digit cash flow growth the next few years, and industrial REITs should remain a beneficiary of secular growth tailwinds (e-commerce and supply-chain logistics).
- The Fund recently added cold storage REIT, **Lineage, Inc.**, during its July IPO. Investment merits include: an irreplaceable portfolio with dominant share in high barrier markets, pronounced scale benefits (technology, big data, value-added services), positive demand inflection expected soon for the cold storage industry, attractive growth and less cyclicality versus most REITs, and an excellent management team with high inside ownership.

Multi-Family REITs (8.4%)

- **We have become more cautious than earlier in 2024** as the shares of multi-family REITs have performed well, rent growth is moderating, and valuations are reasonable but not as attractively valued as other segments of real estate.
- **Long term we remain optimistic** due to the rental affordability advantages versus for-sale housing (move-outs to buy remain low), an attractive supply outlook in 2025 to 2027, the benefits of a partial inflation hedge given annual leases, and still modest discounts to private market valuations.

Mall REITs (5.9%)

- **We are optimistic** about the prospects for the Fund's investments in mall REITs **Simon Property Group, Inc.** and **The Macerich Company.** The fundamental backdrop for high-quality mall and outlet real estate remains favorable. Tenant demand remains robust. There is a shortage of desirable retail space (occupancy is high and there is a dearth of new mall developments). The favorable demand/supply imbalance is enabling landlords to raise rents. Valuations are attractive. We are optimistic about the two to three-year prospects for Macerich following the announcement of a new highly regarded CEO (Jackson Hsieh) who we believe will unlock value (sell non-core properties and repay debt).

Office REITs (5.7%)

- The Fund recently added New York-centric office/retail landlord, **Vornado Realty Trust**. Investment merits include a positive inflection in New York City office leasing activity, improved tenant interest in the company's PENN development, favorable pricing for retail asset sales (4%-plus capitalization rates), occupancy and earnings that are likely to improve the next few years, a management team that is focused on lowering leverage, and shares that we believe are discounted relative to private market values and certain public traded peers.

Single-Family Rental REITS (4.4%)

- **Near term we have become more cautious** in part due to the onset of elevated supply in a few key geographic markets.
- **We remain long-term bullish** due to favorable demand/supply prospects (homeownership affordability challenges, a desire for flexibility and not to be burdened by mortgages, and limited supply of homes for rent in most geographic markets) which should lead to strong long-term growth prospects and an ability of landlords to increase rents.

Hotel REITs (4.2%)

- **Recent travel trends have been mixed** – leisure demand is moderating, and business travel is mixed in certain cities. On the other hand, group and convention travel remain strong.
- **We remain long-term bullish about the prospects for hotel REITs** and other travel-related real estate companies. Several factors are likely to contribute to multi-year tailwinds including a favorable shift in consumer preferences, a growing middle class, and other encouraging demographic trends. We maintain an allocation to select travel-related real estate including hotel REITs because we believe the long-term investment case for travel is compelling, valuations are appealing as many hotel REITs are currently valued at 25% to 50% discounts to net asset value, and we believe hotel REITs could be targeted by private equity firms for purchase.

Shopping Center REITs (3.3%)

- **We remain optimistic** about the prospects for **Federal Realty Investment Trust** and **Brixmor Property Group Inc.** Shopping centers are seeing strong tenant demand for space, limited store closures/bankruptcies, tenants that are broadly healthy, and positive rent growth. Rumored private equity interest in shopping centers would suggest that certain shopping center REITs are undervalued in the public market.

Wireless Tower REITS (3.1%)

- **We have remained near-term cautious** on wireless tower REITs because we are identifying superior total return prospects in other REIT categories. We remain long-term bullish on the prospects for **American Tower Corporation** given strong secular growth expectations for mobile data usage, 5G spectrum deployment and network investment, edge computing, and connected homes and cars.

Triple Net REITs (2.6%)

- **We are optimistic about the long-term prospects for triple-net REIT, Agree Realty Corporation**. Investment merits include its high-quality retail real estate portfolio and tenant base, the company's investment grade portfolio, a cost of capital advantage to pursue accretive acquisitions, an opportunity to triple the size of the current portfolio and Agree is a founder-led firm with shareholder interests aligned. We believe Agree could be an outsized beneficiary of a decline in interest rates given its reliance on acquisitions to drive earnings growth and the long duration nature of cash flows.

Non-REIT Real Estate Companies (18.3%)

- We emphasize REITs but have the flexibility to invest in non-REIT real estate companies. We tend to limit these to no more than approximately 25% of the Fund's net assets. At times, some of our non-REIT real estate holdings may present superior growth, dividend, valuation, and share price appreciation potential than some REITs. We remain optimistic about the Fund's prospects for its non-REIT holdings.

Top Contributors and Detractors to Performance

Table III.
Top contributors to performance for the quarter ended September 30, 2024

	Quarter End Market Cap ($ billions)	Contribution to Return (%)
GDS Holdings Limited	4.0	2.82
Welltower Inc.	78.0	1.91
Equinix, Inc.	84.3	1.36
American Tower Corporation	108.6	1.34
Vornado Realty Trust	7.5	1.25

Shares of **GDS Holdings Limited** appreciated significantly during the quarter. We were encouraged by several fundamental updates and recently met with CEO/founder William Huang and CFO Daniel Newman in our offices.

We remain optimistic about the company's growth prospects over the next several years, which can be bucketed into: i) its Asia ex-China data center business (GDS International or GDSI); and ii) its mainland China data center business (GDS Holdings or GDSH).

Bottom line: We see a path for the business to be worth $46 to $56 a share in two to three years versus approximately $20 at the recent market price.

- **GDS International (Asia ex-China):** We see cash flow for GDSI growing from less than $50 million today to over $500 million over the next three years! We value GDS' ownership stake at $16 per share after accounting for the growth capital it has secured from renowned U.S. and global investors. Blackstone's recent $16 billion acquisition of Southeast Asia based data center operator AirTrunk at 25 times cash flow is still at a substantial premium to where GDS is raising growth capital today, which provides an important valuation marker for a potential IPO of this business over the next 12 to 15 months.
- **GDS Holdings (China):** We believe the China data center business is at the doorstep of a growth inflection and see cash flow growing from about $700 million today to $1 billion over the next three years. We value the China business at $30 to $40 a share on what we believe is a conservative cash flow multiple and remain encouraged that there will be several catalysts to further surface value (e.g., a transaction to place certain stabilized assets into a listed REIT vehicle).

The shares of **Welltower Inc.** continued to perform well in the third quarter. Share price appreciation was due to continued strong cash flow growth in its senior housing portfolio driven by strong occupancy and rent growth, strong execution on its highly accretive proprietarily sourced capital deployment opportunities, and an improved full-year growth outlook.

Welltower is a REIT that is an operator of senior housing, life science, and medical office real estate properties. We recently met with the entire Welltower senior management team and remain encouraged that the shares can continue to be a strong multi-year contributor for the Fund. We are optimistic about the prospects for both cyclical growth (a recovery from depressed occupancy levels following COVID-19) and secular growth (seniors are the fastest growing portion of the population and people are living longer) in senior housing demand against a backdrop of muted supply that will lead to several years of compelling organic growth. Welltower is a "best-in-class" operator with a high-quality curated portfolio that is led by astute capital allocators, thereby allowing it to capture outsized organic and inorganic growth opportunities.

In the most recent quarter, the shares of **Equinix, Inc.**, the premier global operator of network-dense, carrier-neutral data centers, performed well following solid second quarter results. We continue to be optimistic about the long-term growth prospects for the company due to its interconnection focus among a highly curated customer ecosystem, irreplaceable global footprint, strong demand and pricing power, favorable supply backdrop, and evolving incremental demand vectors such as AI. Equinix has multiple levers to drive outsized bottom-line growth with operating leverage. Equinix should compound its earnings per share at approximately 10% over the next few years and we believe the prospects for outsized shareholder returns remain compelling from here given the superior secular growth prospects combined with a discounted valuation.

Table IV.
Top detractors from performance for the quarter ended September 30, 2024

	Quarter End Market Cap or Market Cap When Sold ($ billions)	Contribution to Return (%)
Park Hotels & Resorts Inc.	2.9	-0.33
Wynn Resorts, Limited	9.1	-0.20
Invitation Homes, Inc.	21.6	-0.13
SEGRO plc	15.8	-0.04

The shares of **Park Hotels & Resorts Inc.**, an owner and operator of 43 hotels with an outsized presence in Hawaii, declined in the most recent quarter due to signs of a moderation in travel.

We believe the total return prospects for Park remain compelling due to: i) the company's attractive valuation with shares trading at a meaningful discount to peers, underlying replacement cost and market value of its assets; ii) enhanced cash flow realization from its recently completed large renovation projects that will contribute outsized growth; iii) a diverse set of demand drivers across group, business transient, and leisure with group recovery in full swing; iv) outsized exposure to the attractive Hawaiian market, with a mid-priced offering, where Japanese travelers (a key demand driver) still remain 80% below pre-COVID levels; v) an improved balance sheet and portfolio mix after its exit of two large San Francisco assets; and vi) the company's attractive high single-digit dividend yield.

The shares of **Wynn Resorts, Limited**, an owner and operator of hotels an casino resorts, detracted from performance in part due to the disappointing recovery in business in Macau. The shares rebounded late in the third quarter in response to monetary and fiscal stimulus from the Chinese government. We chose to exit the Fund's investment in Wynn and reallocated the capital to other investments that we believe offer superior performance prospects the next few years.

The shares of **Invitation Homes, Inc.** underperformed after several execution hiccups and ongoing near-term headwinds from new supply in certain markets. We reduced our position due to fair-to-full valuation and lower conviction regarding the near-to-medium-term growth prospects for the company.

Recent Activity

Table V.
Top net purchases for the quarter ended September 30, 2024

	Quarter End Market Cap ($ billions)	Net Amount Purchased ($ millions)
Vornado Realty Trust	7.5	8.1
Equinix, Inc.	84.3	6.1
The Macerich Company	3.9	4.7
Brixmor Property Group Inc.	8.4	4.4
Agree Realty Corporation	7.6	4.2

During the third quarter we initiated a position in **Vornado Realty Trust**, a REIT that owns a portfolio of premier office and street retail properties concentrated in New York City. The company also owns a small portfolio of apartment units in NYC and two iconic commercial properties in Chicago (the Mart) and San Francisco (555 California Street).

While we have remained generally cautious on office real estate for several years in light of both cyclical and secular headwinds that we expected would persist, we also have acknowledged that certain well-located, modern office properties were poised to gain market share and outperform as market conditions improved. We would categorize Vornado's portfolio as falling into the latter bucket.

We are optimistic about our investment in Vornado for several reasons:

1. We have begun to see several encouraging signs that lead us to believe that office fundamentals are bottoming and beginning to improve in several markets, most notably New York City. These signs include stable or rising utilization of office space, strong and broad leasing activity and tenant interest, more confident corporate decision making, and stabilizing market rents and concessions. We think Vornado CEO Steve Roth framed it well with his comments during the company's second quarter earnings call in August:

   "After a difficult four or so years, market dynamics are now reversing and growing constructive. There is no new supply on the horizon, tenants are growing and expanding and searching for space. And New York continues to be the single best market in the nation."

2. Prospects appear bright for Vornado's recently completed PENN 2 redevelopment project (total cost $850 million), as management recently noted a significant pick up in tenant tour activity and proposals in recent months at rents consistent with their underwriting. The lease-up of this property is expected to contribute meaningfully to cash flow growth over the next several years and improve tenant interest in the Penn District more broadly, where Vornado has a leadership position.
3. Management has also noted a pickup in buyer interest for its best-in-class street retail properties in New York City (17% of total cash flow) and recently sold one property at a premium valuation. Management believes valuations for many of their retail properties are back to or in excess of 2019 levels and that additional property sales may occur.
4. Vornado is well positioned to capitalize on any distressed real estate opportunities that may arise given its strong balance sheet and liquidity position.
5. Though Vornado's stock has appreciated significantly since we first began acquiring shares, we still think Vornado's valuation remains untethered from the private market value of its real estate portfolio. We also observe that Vornado's stock trades at a meaningful and unwarranted discount relative to certain publicly traded REIT peers.

In the most recent quarter, we acquired additional shares of **Equinix, Inc.**, the premier global operator of network-dense, carrier-neutral data centers.

We continue to be optimistic about the long-term growth prospects for the company due to its interconnection focus among a highly curated customer ecosystem, irreplaceable global footprint, strong demand and pricing power, favorable supply backdrop and evolving incremental demand vectors such as AI. The company has multiple levers to drive outsized bottom-line growth with operating leverage. Equinix should compound its earnings per share at approximately 10% over the next few years and we believe the prospects for outsized shareholder returns remain compelling from here given the superior secular growth prospects combined with a discounted valuation.

We increased the Fund's position in **The Macerich Company** during the most recent quarter. Macerich is a REIT that owns a portfolio of 43 exceptionally high-quality malls in the U.S., with key states that include California, New York, and Arizona.

We are excited about the medium-term prospects for Macerich for four reasons:

1. The fundamental backdrop for high-quality mall real estate remains favorable. Tenant demand remains robust, as a broad-based group of retailers seek to secure space to meet their 5- to 10-year growth objectives. In the meantime, there is a shortage of desirable space that is available, since industry occupancy is high and no new mall developments are underway. This demand/supply imbalance is enabling landlords to raise rents.

2. Macerich owns an exceptionally high-quality portfolio of mall real estate. Approximately 90% of the company's portfolio value is derived from malls graded Class A, which means the properties are well located, highly productive, and appealing to prospective tenants.

3. We see continued growth opportunities for Macerich through increases in occupancy, rents, margins, and redevelopment projects, which should lead to continued cash flow growth.

4. CEO transition is underway for the first time in decades. Effective March 1, 2024, Jackson Hsieh became President and CEO of Macerich. Jackson most recently served as CEO of net lease REIT Spirit Realty Capital until its acquisition by Realty Income in January 2024. At Spirit, Jackson led a successful turnaround effort to improve overall portfolio quality and simplify the capital structure. We believe Jackson has an opportunity to make similar improvements at Macerich, including selling non-core properties and repaying debt (debt levels are presently elevated).

At the current share price, we believe Macerich is valued at a significant discount relative to its closest publicly traded mall peers and relative to recent mall transactions that have taken place in the private market. We anticipate that this valuation discount may narrow or close in the coming years as the turnaround plan progresses.

Table VI.
Top net sales for the quarter ended September 30, 2024

	Quarter End Market Cap or Market Cap When Sold ($ billions)	Net Amount Sold ($ millions)
American Tower Corporation	108.6	9.0
Equity Residential	28.2	8.8
AvalonBay Communities, Inc.	32.0	7.1
Invitation Homes, Inc.	21.6	4.3
Wynn Resorts, Limited	9.1	2.6

The shares of **American Tower Corporation** performed well in the most recent quarter following the company's execution on several key milestones. We chose to reduce our position in the company during the quarter after the shares reached what we believed was a fair valuation level. We recycled capital into several other new ideas with what we believe are more compelling risk/reward opportunities. Nonetheless, our fundamental conviction regarding the secular growth of mobile data, evolving network needs and the idiosyncratic growth prospects for American Tower remain unchanged and we may look to acquire additional shares in the future.

Shares of **Equity Residential** and **AvalonBay Communities, Inc.** performed well during the quarter. We reduced our positions due to less attractive return prospects for the shares over the medium term as our investment underwriting was pulled forward combined with fair current valuation levels. As we have previously written, we remain optimistic about the prospects for rental housing over the next several years due to favorable supply/demand dynamics and attractive renter income demographics. We continue to hold the management teams at Equity Residential and AvalonBay in high regard and are optimistic about the fundamental growth prospects for their curated rental housing portfolios in high barrier to entry coastal markets over the next several years.

Concluding Thoughts on the Prospects for Real Estate and the Fund

As noted earlier, we believe many of the real estate-related challenges of the last few years are subsiding and brighter prospects for real estate are on the horizon. We are optimistic about the prospects for the Fund with a two to three-year view.

We believe we have assembled a portfolio of best-in-class competitively advantaged REITs and non-REIT real estate companies with compelling long-term growth and share price appreciation potential. We have structured the Fund to capitalize on high-conviction investment themes.

We believe valuations and return prospects are attractive.

We continue to believe our approach to investing in REITs and non-REIT real estate companies will shine even brighter in the years ahead, in part due to the rapidly changing real estate landscape which, in our opinion, requires more discerning analysis.

Table VII.
Top 10 holdings as of September 30, 2024

	Quarter End Market Cap ($ billions)	Quarter End Investment Value ($ millions)	Percent of Net Assets (%)
Equinix, Inc.	84.3	16.9	9.6
Welltower Inc.	78.0	15.0	8.5
Vornado Realty Trust	7.5	10.1	5.7
Digital Realty Trust, Inc.	54.1	9.1	5.2
GDS Holdings Limited	4.0	8.8	5.0
Ventas, Inc.	26.5	8.1	4.6
The Macerich Company	3.9	7.6	4.3
Prologis, Inc.	116.9	6.4	3.6
Equity Residential	28.2	6.1	3.5
American Tower Corporation	108.6	5.5	3.1

I would like to thank our core real estate team – assistant portfolio manager David Kirshenbaum, George Taras, David Baron, and David Berk – for their outstanding work, dedication, and partnership.

I, and our team, remain fully committed to doing our best to deliver outstanding long-term results, and I proudly continue as a major shareholder, alongside you.

Sincerely,

Jeffrey Kolitch

Jeffrey Kolitch
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: In addition to general market conditions, the value of the Fund will be affected by the strength of the real estate markets as well as by interest rate fluctuations, credit risk, environmental issues and economic conditions. The Fund invests in debt securities which are affected by changes in prevailing interest rates and the perceived credit quality of the issuer. The Fund invests in companies of all sizes, including small and medium sized companies whose securities may be thinly traded and 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.

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 Real Estate Income Fund by anyone in any jurisdiction where it would be unlawful under the laws of that jurisdiction to make such an 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. .

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).

DEAR BARON WEALTHBUILDER FUND SHAREHOLDER:

PERFORMANCE

MICHAEL BARON
CO-PRESIDENT AND PORTFOLIO MANAGER

RONALD BARON
CEO AND PORTFOLIO MANAGER

Retail Shares: BWBFX
Institutional Shares: BWBIX
TA Shares: BWBTX

Baron WealthBuilder Fund® (the Fund) had very good results over the prior quarter. In the past three months, the Fund gained 10.17% (Institutional Shares). This result significantly exceeded its large-cap dominated benchmark, the S&P 500 Index (the Index), and the global MSCI ACWI Index (the Global Index). Those two indexes gained 5.89% and 6.61%, respectively. The Morningstar Aggressive Allocation Category Average (the Peer Group) increased 6.42%.*

The Fund has gained 12.51% since the start of 2024. While this return is respectable in most nine-month periods, it does meaningfully trail both the Index and the Global Index's returns. Those two Indexes have gained 22.08% and 18.66%, respectively.

The Fund's performance has stagnated over the prior three years, with an annual return of only 0.39%. Over the longer term, however, the Fund's absolute performance is respectable. The Fund's annualized return since its inception nearly seven years ago was 13.25%. However, this return trails the Index's gain of 13.98%, but exceeds the Global Index's increase of only 9.72%. The Fund remains the top fund in its Peer Group since inception.

As we have stated previously, our unique and consistent investment strategy has not changed since Baron WealthBuilder Fund's or Baron Funds' inception. And this investment strategy has remained consistent during the recent difficult market. We believe Baron Funds has the best long term track record out of major mutual fund families. Since their inceptions, 16 of 19 Baron mutual funds, representing 96.7% of Baron Funds' AUM, have outperformed their primary benchmarks. And they compare favorably amongst their peer categories. Thirteen Funds, representing 95.6% of Baron Funds' AUM, rank in the top 20% of their respective Morningstar categories. Eleven Funds, representing 82.3% of Baron Funds' AUM, rank in the top 10% of their categories. This group includes Baron WealthBuilder Fund, which is the top fund in its Peer Group since its inception. We believe combining these Baron Funds into a single product should create a diversified growth equity portfolio that can produce impressive long-term results.

While we are pleased with Baron Funds' historical results, we are disappointed, although not alarmed, by the recent 3-year performance. The low turnover strategy implemented by Baron Funds has previously resulted in similar stretches. However, we have not only endured analogous periods throughout many of the Baron Funds' histories but have typically emerged with strong absolute and relative performance in subsequent years. Although there is no guarantee of future success, we believe this trend will continue.

The previous nearly two years have been exceedingly difficult for our style of investing as long-term owners of quality growth businesses. The Fund holds a balanced portfolio of quality growth businesses across market caps, sectors, and geographies. The U.S. economy has been challenged since the start of 2023. There have been high interest rates, high inflation, global unrest, and military conflicts. That macro backdrop has been harsh for the businesses held in the underlying Baron Funds. Customers at many service businesses had retreated causing revenue growth to moderate.

As of 9/30/2024 the Morningstar Aggressive Allocation Category consisted of 187, 183, 171, and 178 share classes for the 1-, 3-, 5-year, and since inception (12/29/2017) time periods. Morningstar ranked Baron WealthBuilder Fund Institutional Share Class in the 81st, 97th, 1st, and 1st percentiles, respectively. On an absolute basis, Morningstar ranked Baron WealthBuilder Fund Institutional Share Class as the 158th, 180th, 1st, and 1st best performing share class in its Category, for the 1-, 3-, 5-year, and since inception periods, respectively.

* As of 9/30/2024, the annualized returns of the Morningstar Aggressive Allocation Category Average were 27.38%, 5.44%, 9.98%, and 7.74% for the 1-, 3-, 5-year, and since inception (12/29/2017) periods, respectively.

Morningstar calculates the Morningstar Aggressive Allocation Category Average performance and rankings using its Fractional Weighting methodology. Morningstar rankings are based on total returns and do not include sales charges. Total returns do account for management, administrative, and 12b-1 fees and other costs automatically deducted from fund assets.

BARON FUNDS 1987

Table I.
Performance
Annualized for periods ended September 30, 2024

	Baron WealthBuilder Fund Retail Shares[1,2]	Baron WealthBuilder Fund Institutional Shares[1,2]	Baron WealthBuilder Fund TA Shares[1,2]	S&P 500 Index[1]	MSCI ACWI Index[1]
Three Months[3]	10.14%	10.17%	10.18%	5.89%	6.61%
Nine Months[3]	12.33%	12.51%	12.52%	22.08%	18.66%
One Year	25.13%	25.36%	25.37%	36.35%	31.76%
Three Years	0.13%	0.39%	0.37%	11.91%	8.09%
Five Years	14.69%	14.97%	14.96%	15.98%	12.19%
Since Inception (December 29, 2017)	12.98%	13.25%	13.24%	13.98%	9.72%

Suppliers had increased prices causing margins to be pressured. Higher interest rates have resulted in increased financing costs and raised the discount on future earnings. Investors gravitated towards mega-cap companies with AI opportunities. These businesses are largely underweighted in the Fund compared to the market cap weighted Index.

We believe these phenomena are temporary and we are beginning to see signs of a more typical macro environment that is favorable to our investment style. Inflation appears to have moderated. Interest rates were cut by 50 bps, and the Federal Reserve Chair has indicated steady cuts will persist. The soft landing the government is attempting to orchestrate may just occur.

As a result, we believe that company fundamentals and opportunities will again drive stock prices rather than macro concerns and a singular mega trend. In the current period, we had large gains from a diverse set of underlying Baron Funds. Our small-cap portfolios, led by Baron Growth and Discovery Funds, had some of our strongest returns. This small-cap portfolio category is the largest segment and accounts for 32.1% of net assets. Our more concentrated portfolios, like Baron Partners and Focused Growth Funds, also performed well as company specific results led to outsized gains. And the Fund's largest returns came from its real estate portfolios, Baron Real Estate and Real Estate Income Funds. Lower rates should spur increased lease activity, deals, and valuations.

The Fund's largest underlying holding, **Tesla, Inc.**, appreciated 32% in the quarter. Investors are again looking at the company's potential rather than the near-term impact of the current macro environment. Investors have become comfortable that the previous periods' vehicle delivery shortfalls were the result of affordability (financing related) rather than desirability. Purchases improved in the quarter as the Chinese economy improved. Investors have increased confidence that new model introductions next year will again spur a meaningful increase in units. We do not believe other traditional original equipment manufacturers (that have historically made only internal combustion engines) can compete with the functionality and price of the upcoming models. Additionally, the dynamic company has remarkably improved on new services and products related to autonomous driving, robotics, and energy storage. We remain very optimistic about the future for Tesla.

But other financial and steady growth businesses like **Guidewire Software, Inc.**, **Gartner, Inc.**, **Arch Capital Group Ltd.**, **MSCI Inc.**, and **Kinsale Capital Group, Inc.** are large underlying holdings in the Fund and each appreciated double digits in the period. These five underlying positions combined for approximately 15% weighting of the Fund.

The three underlying companies that detracted the most from performance were **The Charles Schwab Corporation**, **DexCom, Inc.**, and **CrowdStrike Holdings, Inc.** Schwab has an ending weight of 0.9% while DexCom and CrowdStrike have a combined weight of only 0.3%. Schwab had been too aggressive during the COVID-19 pandemic's (COVID) extraordinarily low-rate environment. Believing the rapid increase in client cash during the pandemic would be retained, the company purchased long-dated bonds. The subsequent swift rise in rates and clients seeking higher yielding alternatives caused Schwab to increase its short-term borrowings to meet client needs. Net interest margin was pressured. Today, the company is unwinding these borrowings. It has been a slower process than anticipated with clients having lower idle cash levels. But organic asset growth has continued, and we believe the net interest margin will eventually rebound to more normalized levels. The timing, however, may be slightly extended beyond previously stated expectations. CrowdStrike, a leading cybersecurity software company, declined because of a glitch related to the software's configuration update for Microsoft systems. While the issue may pressure near-term results, we believe the company can maintain its premium positioning.

We encourage you to read the various Baron Funds' quarterly letters to gain a deeper understanding of the underlying holdings and strategies that comprise Baron WealthBuilder Fund.

Performance listed in the above table is net of annual operating expenses. The gross annual expense ratio for the Retail Shares, Institutional Shares, and TA Shares as of December 31, 2023 was 1.47%, 1.22%, and 1.22%, respectively, but the net annual expense ratio was 1.44%, 1.19%, and 1.19% (includes acquired fund fees of 1.14%, net of expense reimbursements), 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. BAMCO, Inc. ("BAMCO" or the "Adviser") has agreed that, pursuant to a contract expiring on August 29, 2035, unless renewed for another 11-year term, it will waive and/or reimburse certain expenses of the Fund, limiting net annual operating expenses (portfolio transaction costs, interest and dividend expense, acquired fund fees and expenses, fees and expenses related to filing foreign tax reclaims, and extraordinary expenses are not subject to the operating expense limitation) to 0.30% of average daily nest assets of Retail Shares, 0.05% of average daily net assets of Institutional Shares and 0.05% of average daily net assets of TA Shares, 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 **S&P 500 Index** measures the performance of 500 widely held large cap U.S. companies. The **MSCI ACWI Index Net (USD)** is an unmanaged, free float-adjusted market capitalization weighted index reflected in U.S. dollars that measures the equity market performance of large- and mid-cap securities across developed and emerging markets. MSCI is the source and owner of the trademarks, service marks and copyrights related to the MSCI Indexes. The MSCI ACWI Index Net (USD) and the Fund include reinvestment of dividends, net of foreign withholding taxes, while the S&P 500 Index includes reinvestment of dividends before taxes. Reinvestment of dividends positively impacts 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 Not annualized.

Table II.
Baron Funds Performance
as of September 30, 2024

Institutional Share Class Data

% of Net Assets of Fund			Third Quarter of 2024*	Annualized 12/29/2017 to 9/30/2024	Primary Benchmark	Third Quarter of 2024*	Annualized 12/29/2017 to 9/30/2024
32.1%		**Small Cap**					
	4.8%	Baron Discovery Fund	13.55%	**10.29%**	Russell 2000 Growth Index	8.41%	**7.17%**
	14.5%	Baron Growth Fund	11.15%	**11.61%**			
	12.8%	Baron Small Cap Fund	9.68%	**11.25%**			
6.6%		**Small/Mid Cap**					
	6.6%	Baron Focused Growth Fund	11.77%	**21.63%**	Russell 2500 Growth Index	6.99%	**8.80%**
10.1%		**Mid Cap**					
	10.1%	Baron Asset Fund	8.34%	**11.04%**	Russell Midcap Growth Index	6.54%	**11.25%**
8.2%		**Large Cap**					
	3.3%	Baron Durable Advantage Fund	5.70%	**15.98%†**	S&P 500 Index	5.89%	**13.78%†**
	4.9%	Baron Fifth Avenue Growth Fund	3.57%	**12.36%**	Russell 1000 Growth Index	3.19%	**17.61%**
18.7%		**All Cap**					
	5.0%	Baron Opportunity Fund	4.04%	**20.29%**	Russell 3000 Growth Index	3.42%	**16.95%**
	13.7%	Baron Partners Fund	13.94%	**23.06%**	Russell Midcap Growh Index	6.54%	**11.25%**
9.6%		**Non-U.S./Global**					
	2.9%	Baron Emerging Markets Fund	9.07%	**1.42%**	MSCI Emerging Markets Index	8.72%	**2.69%**
	3.7%	Baron Global Advantage Fund	5.55%	**7.88%†**	MSCI ACWI Index	6.61%	**9.29%†**
	3.0%	Baron International Growth Fund	8.07%	**4.30%**	MSCI ACWI ex USA Index	8.06%	**4.88%**
14.7%		**Sector**					
	2.9%	Baron FinTech Fund	12.52%	**11.86%†**	FactSet Global FinTech Index	12.21%	**4.58%†**
	2.9%	Baron Health Care Fund	5.81%	**12.79%†**	Russell 3000 Health Care Index	6.74%	**10.10%†**
	6.6%	Baron Real Estate Fund	17.89%	**11.58%**	MSCI USA IMI Extended Real Estate Index	9.40%	**7.36%**
	2.3%	Baron Real Estate Income Fund	16.25%	**3.67%†**	MSCI US REIT Index	15.79%	**5.14%†**

* Not annualized.

† Performance is calculated from the time the Fund was added to Baron WealthBuilder Fund: Baron Durable Advantage Fund – 3/13/2018; Baron Global Advantage Fund – 1/9/2018; Baron FinTech Fund – 2/27/2020; Baron Health Care Fund – 10/18/2018; and Baron Real Estate Income Fund – 5/17/2021.

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

Fund of Funds Structure and Investment Strategy

The Fund is a compilation of our Baron Funds and provides broad equity exposure. All underlying Baron Funds follow a consistent investment philosophy and process. We do not try to mimic the indexes, and we do not alter our strategy to coincide with short-term macro events that we regard as unpredictable. We remain focused on underlying business fundamentals.

We believe small- and mid-cap growth stocks offer attractive return potential relative to their risk over the long term. Small- and mid-cap businesses represent 64.7% of the Fund (compared to only 18.8% for the Index). While our small- and mid-cap growth investments have been successful over our Firm's 42-year history, these styles are occasionally out of favor. The past few years have been one of these environments. Large-cap growth companies have outperformed small-cap growth companies this year and in many instances over the last decade. Since the Fund's inception nearly 7 years ago the 1-year rolling monthly returns of the Russell 1000 Growth Index have outperformed the Russell 2000 Growth Index 79% of the time including 5 out of the past 6 calendar years.

Rather than only examining the Fund's performance over a quarter or a year, we believe it is equally important to understand how the Fund has performed over the course of an economic cycle. COVID and subsequent Macro-Induced Market Rotation has been very difficult for small- and mid-sized growth companies. Investors have favored larger-cap, value-oriented businesses that are deemed safer during a time of uncertainty. We believe this offers a great opportunity for long-term investors to invest in small- and mid-cap growth businesses at attractive prices. Markets first peaked in late February 2020 before rapidly dropping as the economy braced for COVID. It recovered quickly followed by another sizable drop based on macroeconomic factors. Over the three years of COVID ended 12/31/2022, the Russell 2000 Growth Index, a small-cap growth index, gained only 1.96% on a cumulative basis. The Russell Midcap Growth Index fared better with a cumulative 3-year return of 12.00%. With that backdrop, the Fund performed better and appreciated 28.11%. We believe protecting and growing clients' assets during this challenging period positions long-term investors well for meaningful appreciation once the macro landscape changes. Table III provides a more complete look at how the Fund and various indexes performed during the pandemic and its aftermath.

We do not yet know if the challenges caused by COVID will persist. Volatility has remained high, but we are hopeful that interest rate increases, policy factors, and COVID hangovers are ending. Global conflict has increased and geopolitics remains uncertain. But growth companies have recently begun to outperform value. So far, we are optimistic that companies will again be valued on their fundamentals rather than on macroeconomic concerns. We have started to see the performance of some individual securities diverge. This divergence of returns, we believe, should favor growth investors. Given our weightings, the Fund's performance has trailed the large-cap benchmark since the start of this cycle. However, the Fund's return has continued to meaningfully exceed small-cap growth indexes.

Table III.
Cumulative performance throughout the pandemic and its aftermath

	Pre-COVID	COVID Panic	COVID New Normal	Macro-Induced Market Rotation	COVID Pandemic Cycle	End of Pandemic to Present
	12/31/2019 to 2/19/2020	2/19/2020 to 3/23/2020	3/23/2020 to 11/18/2021	11/18/2021 to 12/31/2022	12/31/2019 to 12/31/2022	12/31/2022 to 9/30/2024
Baron WealthBuilder Fund (Institutional Shares)	13.84%	(38.48)%	179.85%	(34.64)%	28.11%	41.46%
S&P 500 Index	5.08%	(33.79)%	115.86%	(16.91)%	24.79%	54.17%
MSCI ACWI Index	2.74%	(33.64)%	102.32%	(18.44)%	12.50%	45.01%
Russell 2000 Growth Index	5.09%	(38.46)%	129.58%	(31.34)%	1.96%	34.35%
Russell Midcap Growth Index	6.97%	(35.71)%	134.05%	(30.42)%	12.00%	42.12%

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

Table IV.
Performance based characteristics since inception through September 30, 2024

	Baron WealthBuilder Fund (Institutional Shares)	S&P 500 Index	Morningstar Aggressive Allocation Category
Alpha (%) – Annualized	–2.35	0.00	–4.59
Beta	1.19	1.00	0.92
Sharpe Ratio	0.49	0.67	0.33
Standard Deviation (%) – Annualized	22.42	17.33	16.38
Upside Capture (%)	107.40	100.00	81.11
Downside Capture (%)	115.26	100.00	98.44

Source: FactSet SPAR. Except for Standard Deviation and Sharpe Ratio, the performance based characteristics above were calculated relative to the S&P 500 Index.

Table V.
Sector exposures as of September 30, 2024

	Percent of Net Assets (%)	S&P 500 Index Weight (%)	MSCI ACWI Index Weight (%)
Information Technology	21.4	31.7	24.5
Consumer Discretionary	21.3	10.1	10.6
Financials	19.8	12.9	16.2
Health Care	10.9	11.6	10.9
Industrials	11.5	8.5	10.6
Real Estate	8.6	2.3	2.2
Communication Services	4.6	8.9	7.8
Materials	1.1	2.2	4.1
Consumer Staples	0.7	5.9	6.4
Energy	0.1	3.3	4.0
Utilities	0.0*	2.5	2.7

** Rounds to less than 0.1%.*

Table VI.
Fund of fund holdings as of September 30, 2024

	Percent of Net Assets (%)
Baron Growth Fund	14.5
Baron Partners Fund	13.7
Baron Small Cap Fund	12.8
Baron Asset Fund	10.1
Baron Focused Growth Fund	6.6
Baron Real Estate Fund	6.6
Baron Opportunity Fund	5.0
Baron Fifth Avenue Growth Fund	4.9
Baron Discovery Fund	4.8
Baron Global Advantage Fund	3.7
Baron Durable Advantage Fund	3.3
Baron International Growth Fund	3.0
Baron Emerging Markets Fund	2.9
Baron Health Care Fund	2.9
Baron FinTech Fund	2.9
Baron Real Estate Income Fund	2.3

Thank you for joining us as fellow shareholders in Baron WealthBuilder Fund. We continue to work hard to justify your confidence and trust in our stewardship of your hard-earned savings. We remain dedicated to giving you the information we would want 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
Co-President and 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 Fund is a non-diversified fund because it invests, at any given time, in the securities of a select number of Baron mutual funds (the "Underlying Funds"), representing specific investment strategies. The Fund can invest in funds holding U.S. and international stocks; small-cap, small to mid-cap, large-cap, all-cap stocks; and specialty stocks. Each of the Underlying Funds has its own investment risks, and those risks can affect the value of the Fund's investments and therefore the value of the Fund's shares. To the extent that the Fund invests more of its assets in one Underlying Fund than in another, it will have greater exposure to the risks of that Underlying Fund. For further information regarding the investment risks of the Underlying Funds, please refer to the Underlying Funds' prospectus.

The Fund may not achieve its objectives. Portfolio holdings are subject to change. Current and future portfolio holdings are subject to risk.

Ranking information provided is calculated for the **Institutional Share Class** and is as of **9/30/2024**. The number of share classes in each category may vary depending on the date that Baron downloaded information from Morningstar Direct. **Morningstar calculates its category average performance and rankings using its Fractional Weighting methodology. Morningstar rankings are based on total returns and do not include sales charges. Total returns account for management, administrative, and 12b-1 fees and other costs automatically deducted from fund assets.** The **Morningstar Large Growth Category** consisted of 1141, 1005, and 788, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Opportunity Fund in the 18th, 5th, 5th, and 3rd percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 2/29/2000, and the category consisted of 569 share classes. Morningstar ranked Baron Partners Fund in the 100th, 1st, 1st, and 1st percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund converted into a mutual fund 4/30/2003, and the category consisted of 708 share classes. The **Morningstar Mid Cap Growth Category** consisted of 531, 476, and 378, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Asset Fund in the 57th, 65th, 27th, and 12th percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 6/12/1987, and the category consisted of 60 share classes. Morningstar ranked Baron Growth Fund in the 93rd, 44th, 25th, and 2nd percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 12/31/1994, and the category consisted of 150 share classes. Morningstar ranked Baron Focused Growth Fund in the 59th, 1st, 1st, and 2nd percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund converted into a mutual fund 6/30/2008, and the category consisted of 410 share classes. The **Morningstar Small Cap Growth Category** consisted of 568, 517, and 398, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Small Cap Fund in the 26th, 20th, 21st, and 8th percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 9/30/1997, and the category consisted of 228 share classes. Morningstar ranked Baron Discovery Fund in the 66th, 35th, and 6th percentiles for the 1-, 5-, and since inception periods, respectively. The Fund launched 9/30/2013, and the category consisted of 501 share classes. The **Morningstar Real Estate Category** consisted of 238, 210, and 152, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Real Estate Fund in the 6th, 1st, 1st, and 1st percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 12/30/2009, and the category consisted of 169 share classes. Morningstar ranked Baron Real Estate Income Fund in the 55th, 2nd, and 2nd percentiles for the 1-, 5-, and since inception periods, respectively. The Fund launched 12/29/2017, and the category consisted of 211 share classes. The **Morningstar Foreign Large Growth Category** consisted of 402, 336, 224, and 239 share classes for the 1-, 5-,10-year, and since inception (12/31/2008) periods. Morningstar ranked Baron International Growth Fund in the 96th, 76th, 48th, and 21st, respectively. The **Morningstar Diversified Emerging Markets Category** consisted of 795, 639, 426, and 367 share classes for the 1-, 5-, 10-year, and since inception (12/31/2010) periods. Morningstar ranked Baron Emerging Markets Fund in the 40th, 73rd, 51st, and 10th, respectively. The **Morningstar Health Category** consisted of 174, 146, and 135 share classes for the 1-, 5-, and since inception (12/31/2018) periods. Morningstar ranked Baron Health Care Fund in the 58th, 3rd, and 1st, respectively. 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 WealthBuilder Fund by anyone in any jurisdiction where it would be unlawful under the laws of that jurisdiction to make such offer or solicitation.

Sharpe Ratio is a risk-adjusted performance statistic that measures reward per unit of risk. The higher the Sharpe ratio, the better a fund's risk adjusted performance. **Standard Deviation** (Std. Dev) measures the degree to which a fund's performance has varied from its average performance over a particular time period. The greater the standard deviation, the greater a fund's volatility (risk).

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)

Baron WealthBuilder Fund

Baron Funds (Institutional Shares) and Benchmark Performance 9/30/2024

Fund/Benchmark	Inception Date	Average Annualized Returns % 1 Year	3 Years	5 Years	10 Years	Since Inception	Annual Expense Ratio	Net Assets
Small Cap								
Baron Discovery Fund®	9/30/2013	23.12%	(5.51)%	10.82%	12.00%	12.45%	1.06%[6]	$1.50 billion
Russell 2000 Growth Index		27.66%	(0.35)%	8.82%	8.95%	8.47%		
Baron Growth Fund®	12/31/1994	15.92%	0.77%	10.77%	11.33%	12.81%	1.05%[6]	$7.59 billion
Russell 2000 Growth Index		27.66%	(0.35)%	8.82%	8.95%	7.92%		
Baron Small Cap Fund®	9/30/1997	29.25%	1.75%	12.41%	11.16%	10.44%	1.05%[6]	$4.52 billion
Russell 2000 Growth Index		27.66%	(0.35)%	8.82%	8.95%	6.44%		
Small/Mid Cap								
Baron Focused Growth Fund®[1]	5/31/1996	24.46%	4.90%	26.13%	17.23%	13.48%	1.06%[8]	$1.65 billion
Russell 2500 Growth Index		25.20%	(0.75)%	9.75%	9.98%	8.22%		
Mid Cap								
Baron Asset Fund®	6/12/1987	24.61%	0.41%	9.40%	11.31%	11.44%	1.05%[6]	$4.44 billion
Russell Midcap Growth Index[2]		29.33%	2.32%	11.48%	11.30%	10.34%		
Large Cap								
Baron Durable Advantage Fund®	12/29/2017	40.46%	14.42%	18.80%		16.52%	1.00%/0.70%[6][10]	$472.27 million
S&P 500 Index		36.35%	11.91%	15.98%		13.98%		
Baron Fifth Avenue Growth Fund®	4/30/2004	45.01%	(1.05)%	11.65%	12.86%	9.96%	0.78%/0.76%[6][11]	$636.39 million
Russell 1000 Growth Index		42.19%	12.02%	19.74%	16.52%	12.27%		
All Cap								
Baron Opportunity Fund®†	2/29/2000	44.24%	3.49%	21.15%	17.27%	9.86%	1.06%[6]	$1.36 billion
Russell 3000 Growth Index		41.47%	11.31%	19.09%	16.04%	7.48%		
Baron Partners Fund®[3,4]	1/31/1992	13.53%	1.14%	27.31%	19.09%	14.96%	1.99%[8][9]	$6.48 billion
Russell Midcap Growth Index		29.33%	2.32%	11.48%	11.30%	10.08%		
Non-U.S./Global								
Baron Emerging Markets Fund®	12/31/2010	24.39%	(3.54)%	4.46%	3.70%	4.15%	1.11%[8]	$4.02 billion
MSCI Emerging Markets Index		26.05%	0.40%	5.75%	4.02%	2.62%		
MSCI Emerging Markets IMI Growth Index		26.55%	(1.62)%	6.23%	4.80%	3.44%		
Baron Global Advantage Fund®	4/30/2012	29.75%	(12.77)%	6.91%	9.93%	10.97%	0.95%/0.91%[8][12]	$560.75 million
MSCI ACWI Index		31.76%	8.09%	12.19%	9.39%	10.04%		
MSCI ACWI Growth Index		36.45%	7.18%	14.70%	11.78%	11.87%		
Baron India Fund®	7/30/2021	32.88%	(1.71)%			(0.49)%	6.79%/1.20%[14][15]	$7.42 million
MSCI AC Asia ex Japan/India Linked Index		21.43%	(1.37)%			(1.92)%		
MSCI AC Asia ex Japan Index		28.95%	0.62%			(0.05)%		
MSCI India Index		40.33%	11.64%			14.92%		
MSCI Emerging Markets Index		26.05%	0.40%			(0.08)%		
Baron International Growth Fund®	12/31/2008	19.53%	(4.63)%	6.35%	6.45%	9.21%	0.98%/0.95%[8][13]	$346.42 million
MSCI ACWI ex USA Index		25.35%	4.14%	7.59%	5.22%	7.31%		
MSCI ACWI ex USA IMI Growth Index		26.16%	0.43%	7.15%	5.98%	7.99%		
Sector								
Baron FinTech Fund®†	12/31/2019	33.15%	(1.08)%			11.63%	1.21%/0.95%[8][16]	$66.46 million
FactSet Global FinTech Index		26.55%	(6.12)%			3.23%		
Baron Health Care Fund®	4/30/2018	20.94%	0.45%	14.91%		13.02%	0.88%/0.85%[8][17]	$238.25 million
Russell 3000 Health Care Index		22.63%	5.88%	12.49%		11.47%		
Baron Real Estate Fund®	12/31/2009	37.27%	4.11%	15.61%	10.96%	14.16%	1.06%[8]	$2.16 billion
MSCI USA IMI Extended Real Estate Index		38.24%	8.00%	10.18%	10.19%	11.74%		
Baron Real Estate Income Fund®	12/29/2017	32.69%	3.22%	10.41%		9.76%	0.96%/0.80%[8][18]	$176.62 million
MSCI US REIT Index		32.74%	3.73%	4.24%		5.74%		
Baron Technology Fund®	12/31/2021	51.76%				5.58%	5.04%/0.95%[8][19]	$40.88 million
MSCI ACWI Information Technology Index		48.35%				10.43%		

Fund/Benchmark	Inception Date	Average Annualized Returns % 1 Year	3 Years	5 Years	10 Years	Since Inception	Annual Expense Ratio	Net Assets
Equity Allocation								
Baron WealthBuilder Fund®	12/29/2017	25.36%	0.39%	14.97%		13.25%	1.22%/1.19%(8)(20)	$550.72 million
S&P 500 Index		36.35%	11.91%	15.98%		13.98%		
Broad-Based Benchmarks[5]								
Russell 3000 Index		35.19%	10.29%	11.48%	12.83%			
S&P 500 Index		36.35%	11.91%	15.98%	13.38%			
MSCI ACWI Index		31.76%	8.09%	12.19%	9.39%			
MSCI ACWI ex USA Index		25.35%	4.14%	7.59%	5.22%			
MSCI Emerging Markets Index		26.05%	0.40%	5.75%	4.02%			

(1) Performance reflects the actual fees and expenses that were charged when the Fund was a partnership. The predecessor partnership charged a 15% performance fee through 2003 after reaching a certain performance benchmark. If the annual returns for the Fund did not reflect the performance fee for the years the predecessor partnership charged a performance fee, 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 June 30, 2008. 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 impacted its performance.

(2) The since inception date for Russell Midcap Growth Index is 6/30/1987.

(3) Performance reflects the actual fees and expenses that were charged when the Fund was a partnership. The predecessor partnership charged a 20% performance after reaching a certain performance benchmark. If the annual returns for the Fund did not reflect the performance fee for the years the predecessor partnership charged a performance fee, 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 impacted its performance.

(4) While the Fund may invest in securities of any market capitalization, 54.8% of the Fund's long holdings were invested in SMID, Mid and Mid/Large-Cap securities (as defined by Russell, Inc.) as of 9/30/2024 (SMID represents 16.3% of the portfolio and has market capitalizations between $5.2 – $15.8 billion; Mid represents 33.5% and has market capitalizations between $15.8 – $51.5 billion; Mid /Large represents 4.9% and has market capitalizations between $51.5 – $183.7 billion).

(5) The Broad-Based Benchmark for Baron Discovery Fund, Baron Growth Fund, Baron Small Cap Fund, Baron Focused Growth Fund, Baron Asset Fund, Baron Partners Fund, and Baron Health Care Fund is Russell 3000 Index. The Broad-Based Benchmark for Baron Durable Advantage Fund, Baron Fifth Avenue Growth Fund, Baron Opportunity Fund, Baron FinTech Fund, Baron Real Estate Fund, Baron Real Estate Income Fund, Baron Technology Fund, and Baron WealthBuilder Fund is S&P 500 Index. The Broad-Based Benchmark for Baron Emerging Markets Fund is MSCI Emerging Markets Index. The Broad-Based Benchmark for Baron International Growth Fund is MSCI ACWI ex USA Index. The Broad-Based Benchmark for Baron Global Advantage Fund, Baron FinTech Fund, Baron Technology Fund, and Baron WealthBuilder Fund is MSCI ACWI Index.

(6) As of 9/30/2023.

(7) Comprised of operating expenses of 1.04% and interest expense of 0.01%.

(8) As of 12/31/2023.

(9) Comprised of operating expenses of 1.04% and interest expense of 0.95%.

(10) Gross annual expense ratio was 1.00%, but the net annual expense ratio was 0.70% (net of Adviser's fee waivers).

(11) Gross annual expense ratio was 0.78%, but the net annual expense ratio was 0.76% (net of Adviser's fee waivers, including interest expense of 0.01%).

(12) Gross annual expense ratio was 0.95%, but the net annual expense ratio was 0.91% (net of Adviser's fee waivers, including interest expense of 0.01%).

(13) Gross annual expense ratio was 0.98%, but the net annual expense ratio was 0.95% (net of Adviser's fee waivers).

(14) Based on estimated amounts for the current fiscal year.

(15) Gross annual expense ratio was 6.79%, but the net annual expense ratio was 1.20% (net of Adviser's fee waivers and expense reimbursements).

(16) Gross annual expense ratio was 1.21%, but the net annual expense ratio was 0.95% (net of Adviser's fee waivers).

(17) Gross annual expense ratio was 0.88%, but the net annual expense ratio was 0.85% (net of Adviser's fee waivers).

(18) Gross annual expense ratio was 0.96%, but the net annual expense ratio was 0.80% (net of Adviser's fee waivers).

(19) Gross annual expense ratio was 5.04%, but the net annual expense ratio was 0.95% (net of Adviser's fee waivers and expense reimbursements).

(20) Gross annual expense ratio was 1.22%, but the net annual expense ratio was 1.19% (includes acquired fund fees and expenses, net of the expense reimbursements).

If a Fund's historical performance was impacted by gains from IPOs there is no guarantee that these results can be repeated or that the Funds' level of participation in IPOs will be the same in the future.

Baron Health Care Fund

Dear Baron Health Care Fund Shareholder:

Performance

In the quarter ended September 30, 2024, Baron Health Care Fund® (the Fund) advanced 5.81% (Institutional Shares), compared with the 6.74% gain for the Russell 3000 Health Care Index (the Benchmark) and the 6.23% gain for the Russell 3000 Index (the Index). Since inception (April 30, 2018), the Fund increased 13.02% on an annualized basis compared with the 11.47% gain for the Benchmark and the 14.03% gain for the Index.

Table I.
Performance
Annualized for periods ended September 30, 2024

	Baron Health Care Fund Retail Shares[1,2]	Baron Health Care Fund Institutional Shares[1,2]	Russell 3000 Health Care Index[1]	Russell 3000 Index[1]
Three Months[3]	5.72%	5.81%	6.74%	6.23%
Nine Months[3]	12.08%	12.31%	14.66%	20.63%
One Year	20.63%	20.94%	22.63%	35.19%
Three Years	0.21%	0.45%	5.88%	10.29%
Five Years	14.62%	14.91%	12.49%	15.26%
Since Inception (April 30, 2018)	12.74%	13.02%	11.47%	14.03%

The Fund modestly trailed the Benchmark by 93 basis points in the third quarter due to stock selection.

Investments in health care equipment, health care distributors, life sciences tools & services, and pharmaceuticals were mostly responsible for stock-specific weakness in the period. Stock selection in health care equipment was a 100-plus basis point drag on performance, owing to notable declines from **iRhythm Technologies, Inc.** and **Edwards Lifesciences Corporation**. Weakness in health care distributors and life sciences tools & services was driven by poor performance from medical distributor **McKesson Corporation** and global contract research organization **ICON Plc**. The bulk of the relative shortfall in pharmaceuticals came from not having positions in large-cap companies Johnson & Johnson and Bristol-Myers Squibb Company, whose share prices were up 11.7% and 26.5%, respectively, in the period.

NEAL KAUFMAN

PORTFOLIO MANAGER

Retail Shares: BHCFX
Institutional Shares: BHCHX
R6 Shares: BHCUX

Somewhat offsetting the above was strong stock selection in biotechnology, where **Arcellx, Inc.** and **argenx SE** accounted for most of the relative gains. Solid stock selection in health care facilities and health care supplies together with higher exposure to these better performing sub-industries also added value.

Our strategy is to identify competitively advantaged growth companies that we can own for years. Similar to the other Baron Funds, we remain focused on finding businesses that we believe have secular growth opportunities, durable competitive advantages, and strong management teams. We conduct independent research and take a long-term perspective. We are particularly focused on businesses that solve problems in Health Care, whether by reducing costs, enhancing efficiency, and/or improving patient outcomes.

We continue to think the Health Care sector will offer attractive investment opportunities over the next decade and beyond. Health Care is one of the

Performance listed in the above table is net of annual operating expenses. The gross annual expense ratio for the Retail Shares and Institutional Shares as of December 31, 2023 was 1.20% and 0.88%, respectively, but the net annual expense ratio was 1.10% and 0.85% (net of the Adviser's fee waivers), 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 Adviser waives and/or reimburses certain Fund expenses pursuant to a contract expiring on August 29, 2035, 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 BaronCapitalGroup.com or call 1-800-99-BARON.

1 The **Russell 3000® Health Care Index** is an unmanaged index representative of companies involved in medical services or health care in the Russell 3000 Index, which is comprised of the 3,000 largest U.S. companies as determined by total market capitalization. The **Russell 3000® Index** measures the performance of the broad segment of the U.S. equity universe comprised of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market. 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 3000® Health Care 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 redemptions of Fund shares.

3 Not annualized.

largest and most complex sectors in the U.S. economy, accounting for an estimated 17.3% of GDP in 2022 and encompassing a diverse array of sub-industries. Health Care is also a dynamic sector undergoing changes driven by legislation, regulation, and advances in science and technology. We think navigating these changes requires investment experience and sector expertise, which makes the Health Care sector particularly well suited for active management.

Table II.
Top contributors to performance for the quarter ended September 30, 2024

	Contribution to Return (%)
Arcellx, Inc.	1.33
argenx SE	1.15
UnitedHealth Group Incorporated	1.12
The Cooper Companies, Inc.	0.68
HCA Healthcare, Inc.	0.67

Arcellx, Inc. is a biotechnology company focused on cell therapies for multiple myeloma. Shares contributed this quarter after the company confirmed that data from its iMMagine-1 trial in late-line multiple myeloma will be presented at the American Society for Hematology conference later this year. This is the first set of pivotal data for Arcellx's lead CAR-T treatment, and we expect it will look good. We are looking for superior safety data and comparable or better efficacy data than that of Legend/Johnson & Johnson's competing product Carvykti. Arcellx and partner Gilead/Kite have reported that they have not seen any significant neurological side effects, which would be a meaningful point of differentiation for the product.

Argenx SE is a biotechnology company focused on autoimmune disorders. Shares increased on positive sentiment around Vyvgart's second commercial indication in rare nerve disorder chronic inflammatory demyelinating polyneuropathy, which was approved in late June and should be a strong launch into a large addressable market, in our opinion. Shares also benefited after competitor data from Amgen's Uplinza failed to impress in myasthenia gravis, Vyvgart's current core indication. Upcoming clinical catalysts should continue to drive long term growth, including readouts in myositis, Sjogren's syndrome, multifocal motor neuropathy, and the subcutaneous formulation launch.

UnitedHealth Group Incorporated is a leading health and well-being company that operates across four segments: UnitedHealthcare, Optum Health, OptumInsight, and OptumRX. Despite complex Q2 results that involved multiple adjustments and an elevated medical loss ratio that management attributed to a cyberattack on its Change Healthcare platform, shares increased on positive management comments and reaffirmation of adjusted EPS guidance for 2024. We believe UnitedHealth should continue to see strong growth and profitability, driven by positive demographic trends and its ability to manage costs by leveraging its size and scale, continuing its industry-leading technology investments, expanding its expertise in population health, and growing its portfolio of providers.

Table III.
Top detractors from performance for the quarter ended September 30, 2024

	Contribution to Return (%)
Edwards Lifesciences Corporation	–0.69
iRhythm Technologies, Inc.	–0.67
DexCom, Inc.	–0.43
McKesson Corporation	–0.41
Merck & Co., Inc.	–0.37

Edwards Lifesciences Corporation is a medical device company that sells surgical and transcatheter heart valves. The company reported lower-than-expected Q2 financial results and reduced guidance. Management cited workflow backlogs in hospital catheter labs for the shortfall in the company's transcatheter aortic valve replacement business. Competitive pressure is an alternative explanation. We also anticipate lower-than-expected earnings in 2025 as a result of dilution from a couple of acquisitions and the sale of its critical care business. We took a tax loss while we reconsider the investment thesis.

IRhythm Technologies, Inc. sells a small wearable patch (the Zio) for the detection of heart arrhythmia. Shares fell during the quarter. The company has been the subject of multiple investigations by the DOJ and the FDA. The FDA recently conducted a site inspection during which it identified issues across the product portfolio. In light of the uncertainty around these ongoing investigations, we took a tax loss while we reconsider the investment thesis.

DexCom, Inc. sells continuous glucose monitoring device for patients with diabetes. Shares fell after DexCom reported lower-than-expected Q2 financial results and reduced guidance for the year. Multiple issues surfaced during the earnings report. Management cited 1) disruption from the expansion of its sales force; 2) channel dynamics including market share losses in the durable medical equipment channel and a revenue per user headwind from Medicare Advantage plans offering pharmacy access to its members; 3) a negative impact from faster-than-anticipated rebate eligibility; and 4) and a shortfall in international sales. Some of these issues are temporary and potentially addressable. Others raise questions about DexCom's growth potential. Our investment thesis is under review.

Portfolio Structure

We build the portfolio from the bottom up, one stock at a time, using the Baron investment approach. We do not try to mimic an index, and we expect the Fund to look very different than the Benchmark. We loosely group the portfolio into three categories of stocks: earnings compounders, high-growth companies, and biotechnology companies. We define earnings compounders as companies that we believe can grow revenue at least mid-single digits and compound earnings at double-digit rates over the long term. We define high-growth stocks as companies we expect to generate double-digit or better revenue growth. They may not be profitable today, but we believe they can be highly profitable in the future. We expect the portfolio to have a mix of earnings compounders, high-growth, and biotechnology companies.

We may invest in stocks of any market capitalization and may hold both domestic and international stocks. As of September 30, 2024, we held 40 stocks. This compares with 529 stocks in the Benchmark. International stocks represented 10.5% of the Fund's net assets. The Fund's 10 largest holdings represented 54.7% of net assets. Compared with the Benchmark, the Fund was overweight in biotechnology, life sciences tools & services, health care facilities, and health care supplies; and underweight in pharmaceuticals, health care services, and managed health care. The market cap range of the investments in the Fund was $1.7 billion to $842.0 billion with a weighted average market cap of $199.0 billion. This compared with the Benchmark's weighted average market cap of $258.6 billion.

We continue to invest in multiple secular growth themes in Health Care, such as genomics/genetic testing/genetic medicine, innovative medical devices that improve outcomes and/or lower costs, minimally invasive surgery, anti-obesity medications, *picks and shovels* life sciences tools providers, the shift to lower cost sites of care, and animal health, among others. To be clear, this list is not exhaustive: we own stocks in the portfolio that do not fit neatly into these themes and there are other themes not mentioned here that are in the portfolio. We evaluate each stock on its own merits.

Table IV.
Top 10 holdings as of September 30, 2024

	Year Acquired	Mkt Cap When Acquired ($ billions)	Quarter End Market Cap ($ billions)	Quarter End Investment Value ($ millions)	Percent of Net Assets (%)
UnitedHealth Group Incorporated	2018	227.2	539.9	20.5	8.6
Eli Lilly and Company	2021	187.4	842.0	20.4	8.6
Intuitive Surgical, Inc.	2018	49.9	174.6	14.9	6.2
Boston Scientific Corporation	2023	73.4	123.4	13.3	5.6
argenx SE	2018	2.8	32.4	12.8	5.4
Thermo Fisher Scientific Inc.	2019	117.4	236.3	12.4	5.2
Vertex Pharmaceuticals Incorporated	2022	61.4	120.0	10.7	4.5
Arcellx, Inc.	2023	1.9	4.5	9.2	3.9
Danaher Corporation	2022	202.9	200.8	8.3	3.5
Stryker Corporation	2023	98.8	137.7	7.9	3.3

Table V.
Fund investments in GICS sub-industries as of September 30, 2024

	Percent of Net Assets (%)
Biotechnology	26.1
Health Care Equipment	19.2
Life Sciences Tools & Services	16.6
Pharmaceuticals	13.6
Managed Health Care	11.1
Health Care Facilities	5.4
Health Care Supplies	3.2
Health Care Services	1.0
Cash and Cash Equivalents	3.7
Total	100.0*

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

Recent Activity

During the third quarter, we added six new positions and exited six positions. Below we discuss some of our top net purchases and sales.

Table VI.
Top net purchases for the quarter ended September 30, 2024

	Quarter End Market Cap ($ billions)	Net Amount Purchased ($ millions)
Regeneron Pharmaceuticals, Inc.	115.9	5.1
Danaher Corporation	200.8	3.5
Vaxcyte, Inc.	14.0	3.5
Insmed Incorporated	12.5	3.0
Ultragenyx Pharmaceutical Inc.	5.1	2.7

We added to the position in **Danaher Corporation**, a life sciences tools company with a market-leading position in the bioprocessing market. We continue to think the bioprocessing market is an attractive market over the long term driven by the growing demand for biologic drugs such as vaccines, recombinant proteins, and monoclonal antibodies. While the industry has faced post-COVID inventory destocking headwinds over the past two-plus years, we think Danaher is well positioned to benefit when market demand recovers. The company has been an active purchaser of its stock, signaling management's confidence in the future.

We purchased **Regeneron Pharmaceuticals, Inc.**, a biopharmaceutical company that was built on a foundation in basic scientific research and antibody development. The company has successfully developed several blockbuster medicines, including Eylea and Eylea HD for retinal diseases (such as wet age-related macular degeneration, diabetic macular edema, and diabetic retinopathy) and Dupixent for immunological and inflammatory diseases (such as atopic dermatitis, asthma, and COPD). While Eylea is nearing the end of its patent life and faces potential biosimilar competition, the company has been transitioning patients to Eylea HD, which is a higher dose, longer-acting formulation of Eylea, and Dupixent is growing rapidly through indication expansion. Beyond the current product portfolio, Regeneron has an exciting new product pipeline with over 35 candidates in various stages of development, including a novel treatment for treating severe food allergy, a combination checkpoint inhibitor therapy for melanoma, lung cancer and other solid tumors, biospecific antibodies for blood cancers, and Factor XI antibodies for blood clot prevention, among others. Based on Regeneron's track record of success discovering and developing new drugs, we are optimistic the pipeline will deliver some successes, which we think will drive upside in the stock.

We purchased **Vaxcyte, Inc.**, a biopharmaceutical company with a next-generation vaccine platform. Vaxcyte recently showed data suggesting that their pneumococcal vaccine is better than the current vaccines on the market today. Pneumococcal vaccines are one of the largest vaccine categories today, with approximately $8 billion in worldwide sales. The vaccines are recommended for children under 5 or adults over 65 to prevent pneumococcal infection. The incumbents' technology has hit a ceiling where their vaccines require too much protein carrier, which causes immune interference and lowered response to the pneumococcal antigen. As Pfizer and Merck have tried to add more serotypes to their vaccines, they've lost efficacy on some of the historically relevant serotypes. Vaxcyte's platform allows a lower protein carrier/antigen ratio so the company can include more serotypes while minimizing carrier suppression. Vaxcyte recently reported impressive Phase 1/2 data for their VAX31 vaccine in adults.

VAX31 looked at least as good as Pfizer's standard of care PCV20 vaccine on the existing 20 serotypes (and was statistically superior on several serotypes) and added strong immune coverage of 11 additional serotypes. VAX31 now covers 95% of circulating strains in U.S. adults and 98% in the EU. They will now run Phase 3 studies in adults and start a Phase 1/2 for VAX31 in children. We think that the pneumococcal vaccine market will be $10 billion-plus in 2030, that VAX31 can capture significant share, and that this will be a durable business.

We purchased **Insmed Incorporated**, a biopharmaceutical company with three lead drugs that could collectively generate $8 billion-plus of peak sales. We are most excited about brensocatib, which recently reported data in non-cystic fibrosis bronchiectasis (NCFBE), which is a $5 billion-plus opportunity. Based on our research, the data is a game-changer for patients both in terms of a 20% reduction in pulmonary exacerbations and an improvement in lung function. We think there could be as many as 500,000 NCFBE patients in the U.S. and that the disease is widely underdiagnosed (or rather, mis-diagnosed as asthma/COPD) given there are no approved treatments. In addition, brensocatib is a pipeline in a product. It's a DPP1 inhibitor that is very potent against neutrophil serine proteases. Neutrophil serine protease activity is key in the cycle of inflammation and lung damage in bronchiectasis and is also known to play an important role in chronic rhinosinusitis without nasal polyps, an additional $1 billion-plus opportunity where Insmed will have data in the second half of 2025. In addition, another drug, Arikayce is on-market to treat refractory MAC lung disease and will likely get a front-line label with Phase 3 data expected in 2025. A third drug candidate, TPIP, is early stage but shows impressive efficacy/safety in PAH/PH-ILD and could be a best-in-class option.

We purchased **Ultragenyx Pharmaceutical Inc.**, a biopharmaceutical company focused on developing treatments for rare genetic diseases. Impressively, the company has gotten 4 drugs approved across 5 indications in 10 years, and it has a large clinical pipeline with several potential blockbuster opportunities in late stage development. While the company's approved products continue to grow 20%-plus, we are most excited about the company's new product pipeline. Setrusumab is in Phase 3 studies for Osteogenesis Imperfecta, a rare genetic disorder that causes bones to break easily. The drug helps patients increase bone mineral density and reduces the number of fractures patients experience. We think this could be transformative for patients and could be a $1 billion-plus peak sales drug. We are also excited about Ultragenyx's GTX-102, an antisense oligonucleotide that treats Angelman Syndrome, a rare genetic disorder that affects the nervous system and causes severe development delay and intellectual disability. Early data showed dramatic improvement for patients across several behavioral and cognitive endpoints, and Ultragenyx just started a registrational study. The company is also working on a drug for Wilson disease, a rare genetic disorder that causes copper to build up in the body, where we will get proof-of-concept data soon. We think each of these programs has potential for significant value creation, transforming the company to one with significantly higher revenue and profits.

Table VII.
Top net sales for the quarter ended September 30, 2024

	Net Amount Sold ($ millions)
McKesson Corporation	5.4
Merck & Co., Inc.	4.3
iRhythm Technologies, Inc.	3.5
Tempus AI, Inc.	3.3
Edwards Lifesciences Corporation	2.1

We sold **McKesson Corporation** after the company reported disappointing quarterly financial results. We took tax losses in **iRhythm Technologies**, **Inc**. and **Edwards Lifesciences Corporation** after the stocks fell for the reasons mentioned above. We sold **Tempus AI, Inc**. after the stock reached our long-term price target. We reduced **Merck & Co., Inc.** to fund other ideas.

Outlook

Many of the same trends from the beginning of the year continued into the third quarter.

In managed care, higher medical cost trends continued, but stock performance improved as investors look ahead to potentially better trends next year. Despite a somewhat messy quarter from **UnitedHealth Group Incorporated** relative to analyst expectations, its core business remained on track and management raised 2024 guidance. SG&A leverage was particularly impressive, and management believes there are "billions of dollars" of efficiencies to be achieved through the implementation of AI and machine learning over the next several years. We believe UnitedHealth, which maintained Medicare Advantage pricing discipline in 2024 and saw weaker enrollment as a result, will see outsized MA enrollment in 2025 as competition, which underpriced in 2024, cuts benefits and exits markets to rebuild margins.

After two-plus years of "COVID hangover" headwinds (customer destocking, cautious biopharmaceutical spending, weakness in China), life sciences tools companies continue to experience sluggish end-market demand. Intra-quarter commentary from certain contract research organizations suggested ongoing uncertainty due to a slowdown in biotechnology funding versus the first half of the year. We think the biotechnology funding slowdown is temporary, as the IPO and follow-on market re-accelerated in the month of September. In addition, lower interest rates should boost valuations of earlier stage biotechnology companies and make it easier to raise capital, which should flow through to life sciences tools companies as their biotechnology customers invest in more R&D. We also think destocking headwinds are closer to the end. Trends in China remain depressed, but we are optimistic that they will improve even if they don't return to pre-COVID levels of robust growth. We remain invested in life sciences tools companies that we believe have good long-term growth prospects.

Health care provider volumes remain healthy. We are investors in **HCA Healthcare, Inc.**, the best-in-class hospital operator, **Tenet Healthcare Corporation**, which has a growing ambulatory surgery center business that is becoming a bigger percentage of its cash flows, and **RadNet, Inc.**, a leading operator of imaging centers which is benefiting from the shift in imaging volumes towards outpatient centers, faster growth in higher margin advanced imaging modalities like MRI, CT and PET/CT, and an emerging AI business.

Business trends for medical device companies like **Intuitive Surgical, Inc.**, **Boston Scientific Corporation**, and **Stryker Corporation** remain strong, driven by new product cycles and healthy procedure volumes.

We added several new biopharmaceutical positions during the quarter, and we remain positive on our core existing positions, including **Eli Lilly and Company**, which we think has a durable leadership position in the large obesity market; **argenx SE**, which has a drug that treats severe autoimmune diseases; and **Arcellx, Inc.**, which has a differentiated cell therapy platform to treat multiple myeloma.

Regarding drug pricing, in August, the Centers for Medicare & Medicaid Services (CMS) announced the pricing for the first 10 drugs selected for negotiations. The new prices, which will go into effect on January 1, 2026, imply a 20% to 25% net price cut for the products on the list. This was roughly in line with investor expectations and had already been incorporated into guidance for the companies affected. CMS will select an additional 15 drugs for negotiation by February 1, 2025, with negotiated prices going into effect in 2027. For now, the impact of the Medicare drug pricing program seems manageable for the industry, but we are closely monitoring the situation, including how the program impacts biopharmaceutical R&D spending.

Starting with this quarterly letter, we plan to highlight one or two promising Health Care innovations every quarter. This quarter we will highlight two. First, researchers in China reported that they reversed a woman's type 1 diabetes with a stem cell transplant. Companies like **Vertex Pharmaceuticals Incorporated**, which we own in the Fund, are also working on cell therapies for type 1 diabetes. What's different about the China program is that the cells were taken from the woman's *own body*, reprogrammed and then implanted back into the patient. The potential advantage of using the patient's own cells is that the patient's immune system might not reject and attack the cells as foreign. Two and a half months after the implant, the woman was producing enough insulin to live without needing additional insulin and she has sustained that level of production for more than a year. The woman was already taking immunosuppressants for a liver transplant, so unfortunately the study doesn't answer the question whether these cells reduced the risk of immune rejection. The researchers are working on ways to reprogram the stem cells so that they can "hide" from the body's own immune system and avoid the need for immunosuppressants which would be a breakthrough.

The second Health Care innovation comes from the work of researchers at Harvard-affiliated Brigham and Women's Hospital. They developed a nasal spray that in preclinical studies offered nearly 100% protection from respiratory infections caused by COVID-19, influenza, viruses, and pneumonia-causing bacteria. The nasal spray forms a gel in the nasal cavity that captures respiratory droplets from the air, immobilizes viruses and bacteria, and neutralizes them with over 99.99% effectiveness. The spray would complement vaccines and add a layer of protection that could *prevent* infections. This is the first nasal spray to come close to this level of protection. The results are pre-clinical, meaning they come from a study involving mice, not humans, and the study was conducted in a laboratory, not the real world. Nevertheless, this new nasal spray has potential to have a significant positive impact on public health. The researchers are also exploring whether the nasal spray can block allergens, which could help people who suffer from allergies.

Overall, our long-term outlook for Health Care remains bullish. Innovation in the sector is robust. Advances in science and technology are leading to new ways to diagnose, monitor, and treat diseases. We continue to follow our process for identifying investment opportunities and creating a portfolio of competitively advantaged growth companies with strong management teams.

Thank you for investing in the Fund. I remain an investor in the Fund, alongside you.

Sincerely,

Neal Kaufman

Neal Kaufman
Portfolio Manager

Investors should consider the investment objectives, risks, and charges and expenses of the investment carefully before investing. The prospectus and summary prospectus contains 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: In addition to general market conditions, the value of the Fund will be affected by investments in health care companies which are subject to a number of risks, including the adverse impact of legislative actions and government regulations. The Fund is non-diversified, which means it may have a greater percentage of its assets in a single issuer than a diversified fund. The Fund invests in small and medium sized companies whose securities may be thinly traded and 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 manager 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 Health Care Fund by anyone in any jurisdiction where it would be unlawful under the laws of that jurisdiction to make such offer or solicitation.

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).

Baron FinTech Fund

Dear Baron FinTech Fund Shareholder:

Performance

In the quarter ended September 30, 2024, Baron FinTech Fund® (the Fund) rose 12.52% (Institutional Shares) compared with a 12.21% increase for the FactSet Global FinTech Index (the Benchmark). Since inception, the Fund has risen at an 11.63% annualized rate compared with 3.23% for the Benchmark.

JOSH SALTMAN

PORTFOLIO MANAGER

Retail Shares: BFINX
Institutional Shares: BFIIX
R6 Shares: BFIUX

Table I.
Performance†
Annualized for periods ended September 30, 2024

	Baron FinTech Fund Retail Shares[1,2]	Baron FinTech Fund Institutional Shares[1,2]	FactSet Global FinTech Index[1]	S&P 500 Index[1]	MSCI ACWI Index[1]
Three Months[3]	12.45%	12.52%	12.21%	5.89%	6.61%
Nine Months[3]	16.76%	16.95%	9.53%	22.08%	18.66%
One Year	32.90%	33.15%	26.55%	36.35%	31.76%
Three Years	(1.34)%	(1.08)%	(6.12)%	11.91%	8.09%
Since Inception (December 31, 2019)	11.36%	11.63%	3.23%	14.77%	10.85%

U.S. equities rose for the fourth consecutive quarter as generally upbeat economic reports supported a soft landing narrative while easing inflation enabled the Federal Reserve's long-awaited dovish pivot. There was a notable rotation toward smaller-cap stocks and away from the mega-cap *Magnificent Seven*, which drove most of the market performance during the first half of the year. This group of seven stocks posted a modest gain of 1.7% during the quarter, trailing the 7.9% gain for the remaining stocks in the S&P 500 Index. Small- and mid-cap stocks rose more than 9% in the period, beating large caps by the widest margin since the COVID-19 pandemic. Value outperformed growth during the quarter due to strength from cyclical and rate-sensitive sectors, while growth stocks remain ahead for the year. Outside of the U.S., emerging market equities outperformed due to aggressive stimulus measures in China.

During the third quarter, the Fund performed in line with the Benchmark but significantly outperformed the S&P 500 Index given its smaller market cap profile as market breadth improved. The Fund's heavy exposure to outperforming Financials stocks and lack of exposure to the Magnificent Seven also boosted relative performance against the broad market. Challengers outperformed Leaders (up 18.0% versus up 11.5%, respectively), a meaningful reversal from the first half of the year reflecting a rally in smaller and more speculative stocks. Fund performance closely matched the Benchmark as positive impacts from active thematic exposures were offset by adverse stock selection in Tech-Enabled Financials.

Favorable stock selection in Information Services and E-Commerce, higher exposure to the better performing Capital Markets category, and lower exposure to the lagging Payments and Enterprise Software themes added the most value. Several holdings performed well in Information Services, led by data and analytics company **Fair Isaac Corporation** and consumer credit bureau **TransUnion**, whose shares were bolstered by higher pricing for mortgage credit scores and optimism about the potential for lower interest rates to stimulate consumer lending. Strength in E-Commerce was driven by **MercadoLibre, Inc.**, which continues to grow rapidly despite its already dominant position in Latin America across both e-commerce and payments.

Somewhat offsetting the above was unfavorable stock selection in Tech-Enabled Financials, where broker-dealers **LPL Financial Holdings Inc.** and **The Charles Schwab Corporation** weighed on performance due to concerns about their ability to earn interest income on client cash.

Performance listed in the above table is net of annual operating expenses. The gross annual expense ratio for the Retail Shares and Institutional Shares as of December 31, 2023 was 1.66% and 1.21%, respectively, but the net annual expense ratio was 1.20% and 0.95% (net of the Adviser's fee waivers), 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 Adviser waives and/or reimburses certain Fund expenses pursuant to a contract expiring on August 29, 2035, 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 BaronCapitalGroup.com or call 1-800-99-BARON.

† The Fund's historical performance was impacted by gains from IPOs and there is no guarantee that these results can be repeated or that the Fund's level of participation in IPOs will be the same in the future.

1 The **FactSet Global Fintech Index™** is an unmanaged and equal-weighted index that measures the equity market performance of companies engaged in Financial Technologies, primarily in the areas of software and consulting, data and analytics, digital payment processing, money transfer, and payment transaction-related hardware, across 30 developed and emerging markets. The **S&P 500 Index** measures the performance of 500 widely held large-cap U.S. companies. The **MSCI ACWI Index Net (USD)** is designed to measure the equity market performance of large and midcap securities across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. MSCI is the source and owner of the trademarks, service marks and copyrights related to the MSCI Indexes. The MSCI ACWI Index and the Fund include reinvestment of dividends, net of withholding taxes, while the FactSet Global Fintech 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. 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 redemptions of Fund shares.

3 Not annualized.

BARON FUNDS 1987

Additionally, the Fund's heavy exposure to Leaders weighed on relative performance against the Benchmark in a quarter when Challengers significantly outperformed.

Table II.
Top contributors to performance for the quarter ended September 30, 2024

	Contribution to Return (%)
Fair Isaac Corporation	1.22
MercadoLibre, Inc.	1.00
Guidewire Software, Inc.	0.99
The Progressive Corporation	0.92
S&P Global Inc.	0.81

Fair Isaac Corporation is a data and analytics company focused on predicting consumer behavior and is best known for its ubiquitous FICO scores. Like last quarter, shares increased after the company reported solid financial results and raised annual guidance. Management recently spoke at several conferences and was optimistic about both the scores and software businesses. Fair Isaac is a perceived beneficiary of lower interest rates, so the stock has likely gotten a boost from recent rate cuts. Mortgage originations are running 50% below the long-term historical average, so we estimate that a return to normal activity would increase Fair Isaac's earnings by half. We continue to own the stock because of the company's significant competitive advantages and expect that consistent earnings growth will drive attractive returns for the stock over the long term.

Shares of **MercadoLibre, Inc.**, Latin America's leading e-commerce and fintech company, rose after the company reported strong quarterly results that beat expectations across the board. Revenue more than doubled on a constant currency basis and grew 42% in U.S. dollars. MercadoLibre continues to gain share in the e-commerce market due to its broad merchandise selection and unique logistics capabilities that enable faster delivery times than peers. In the recent quarter, Commerce revenue grew 131% on a constant currency basis with 83% growth in gross merchandise value, benefiting from higher advertising penetration and a more favorable geographic mix. Fintech revenue grew 92% on a constant currency basis with 86% growth in total payment volume and 37% growth in monthly active users, reaching 52 million. MercadoLibre is benefiting from product innovation in fintech and profitable underwriting in the fast-growing credit business, which we expect will drive continued margin expansion and earnings growth.

Shares of insurance software vendor **Guidewire Software, Inc.** outperformed after the company reported strong quarterly results and provided annual guidance that exceeded consensus expectations. New sales activity drove 19% growth in annual recurring revenue (ARR) on a fully ramped basis and 37% growth in subscription revenue during the recent quarter. Subscription gross margins expanded by 11 percentage points, and free cash flow margins reached 18%, up from 2% last year. We believe the company's multi-year cloud transition is substantially complete. ARR should benefit from new customer wins and migrations of existing on-premise software customers to InsuranceSuite Cloud. We also expect the company to shift R&D resources from infrastructure investment to product development, which should help drive cross-sales into the large installed base and potentially accelerate ARR over time. We believe Guidewire will remain the critical software vendor for the global property and casualty insurance industry, capturing 30% to 50% of its $15 billion to $30 billion total addressable market and generating margins above 40%.

Table III.
Top detractors from performance for the quarter ended September 30, 2024

	Contribution to Return (%)
LPL Financial Holdings Inc.	–0.60
Intuit Inc.	–0.26
The Charles Schwab Corporation	–0.18
Endava plc	–0.08
Repay Holdings Corporation	–0.06

LPL Financial Holdings Inc. is an independent broker-dealer with over $1.5 trillion of client assets. As an asset custodian, LPL earns a significant amount of interest income from client cash while paying only a modest amount of interest expense to clients. Shares fell due to concerns that regulators could force broker-dealers such as LPL to pay higher deposit rates to customers, thereby reducing the spread that firms earn from client cash. These fears were exacerbated by pricing changes at competitors such as Wells Fargo and Bank of America. We are actively monitoring these developments but have not seen evidence of any adverse regulatory changes. LPL management is confident that the company is fully compliant with existing regulations and won't have to increase deposit rates. We continue to own the stock due to LPL's strong organic growth and compelling valuation.

Intuit Inc. is the leading provider of accounting software for small businesses and tax preparation software for individuals and tax professionals. Shares declined due to a slower growth outlook for the Consumer segment (TurboTax) and greater dependence on upselling to drive growth in the Small Business segment (QuickBooks). Nevertheless, the company reported quarterly financial results that exceeded Street expectations and provided fiscal 2025 guidance that called for 12% to 13% revenue growth and 13% to 14% EPS growth. At Intuit's Investor Day, management expressed confidence in the company's market positioning and growth potential from selling higher-value services across its two major segments. We continue to own the stock due to Intuit's strong competitive position and numerous growth opportunities.

The Charles Schwab Corporation detracted from performance following a weak quarterly update. The broker-dealer generates significant net interest income on idle client cash. Clients have been moving cash into higher-yielding money market funds, forcing Schwab to use higher-cost external funding to support its balance sheet. Although this expensive funding was intended to be temporary, the company made little progress in reducing its usage this quarter, which weighed on margins and disappointed the market despite the strong 17% growth in client assets. While the timing has been delayed, we think Schwab will eventually pay down this high-cost funding, which should increase margins and drive much faster earnings growth.

PORTFOLIO STRUCTURE

We seek to invest in competitively advantaged, growing fintech companies for the long term. We conduct independent, fundamental research and take a long-term perspective. We invest in companies across all market capitalizations and geographies. The quality of the ideas and level of conviction determine the position size of each investment. We do not try to mimic an index, and we expect the Fund will look very different from the Benchmark.

As of September 30, 2024, the Fund held 47 positions (36 excluding those smaller than 1%). The Fund's 10 largest holdings represented 41.5% of net assets, and the 20 largest holdings represented 69.2% of net assets. International stocks represented 11.4% of net assets. The market capitalization range of the investments in the Fund was $798 million to $557 billion with a median of $31 billion and a weighted average of $107 billion. The Fund's active share versus the Benchmark was 85.9%.

We segment the Fund's holdings into seven investment themes. As of September 30, 2024, Tech-Enabled Financials represented 27.2% of net assets, Information Services represented 23.6%, Payments represented 16.3%, Enterprise Software represented 13.9%, Capital Markets represented 9.7%, E-Commerce represented 5.6%, and Digital IT Services represented 2.3%. Relative to the Benchmark, the Fund remains underweight in Enterprise Software, Payments, and Hardware, and has overweight positions in Tech-Enabled Financials, Capital Markets, Information Services, Digital IT Services, and E-Commerce.

We also segment the Fund's holdings between Leaders and Challengers. Leaders are generally larger, more established companies with stable growth rates, higher margins, and moderate valuation multiples. Challengers are generally smaller, earlier-stage companies with higher growth rates, lower margins, and higher valuation multiples. As of September 30, 2024, Leaders represented 76.8% of net assets and Challengers represented 21.8%, with the remainder in cash.

Table IV.
Top 10 holdings as of September 30, 2024

	Year Acquired	Market Cap When Acquired ($ billions)	Quarter End Market Cap ($ billions)	Quarter End Investment Value ($ millions)	Percent of Net Assets (%)
S&P Global Inc.	2020	67.9	165.4	3.3	5.0
Mastercard Incorporated	2020	306.1	456.2	3.0	4.5
The Progressive Corporation	2022	65.4	148.6	2.9	4.4
MercadoLibre, Inc.	2020	53.7	104.0	2.8	4.2
Visa Inc.	2020	376.2	557.2	2.7	4.1
Intuit Inc.	2020	69.3	174.1	2.7	4.1
Fair Isaac Corporation	2020	11.1	47.7	2.7	4.1
Apollo Global Management, Inc.	2023	40.4	71.1	2.5	3.8
Guidewire Software, Inc.	2020	9.1	15.2	2.5	3.7
Fiserv, Inc.	2022	67.7	103.4	2.4	3.6

Table V.
Fund investments in GICS sub-industries as of September 30, 2024

	Percent of Net Assets (%)
Financial Exchanges & Data	20.3
Transaction & Payment Processing Services	19.3
Application Software	14.6
Property & Casualty Insurance	8.7
Investment Banking & Brokerage	7.7
Research & Consulting Services	5.4
Asset Management & Custody Banks	5.1
Broadline Retail	4.2
Diversified Financial Services	3.8
Diversified Banks	2.7
IT Consulting & Other Services	2.3
Internet Services & Infrastructure	1.4
Insurance Brokers	1.4
Real Estate Services	1.0
Life & Health Insurance	0.8
Cash and Cash Equivalents	1.4
Total	**100.0%***

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

Recent Activity

During the quarter, we initiated two new positions. Below we discuss some of our top net purchases and sales.

Table VI.
Top net purchases for the quarter ended September 30, 2024

	Quarter End Market Cap ($ billions)	Net Amount Purchased ($ thousands)
KKR & Co. Inc.	115.9	1,129.2
Primerica, Inc.	9.0	532.9
TWFG, Inc.	1.5	253.8
Arch Capital Group Ltd.	42.1	65.2
Equifax Inc.	36.4	60.2

We participated in the IPO of **TWFG, Inc.**, an insurance broker for personal and commercial insurance based in Texas. TWFG (an acronym for The Woodlands Financial Group) is the seventh-largest personal lines insurance agency in the U.S. with 410 branches across 17 states. As an independent agency, the company provides homeowners and auto insurance on behalf of over 300 carriers without taking any underwriting risk. The company has been growing quickly by helping captive agents working for a single carrier (such as State Farm or Allstate) make the transition to an independent agency model with the ability to sell policies from multiple carriers. This model is better for customers by offering them a broader range of insurance options and better for agents who can sell more policies. TWFG provides agents all the tools they need to sell insurance, including carrier relationships, technology, training, back-office and marketing support. Most of the company's agents are independent contractors that earn 80% of the sales commissions but are responsible for their own expenses, while TWFG keeps the remaining 20% of commissions. With relatively little overhead, TWFG enjoys a capital-light business model.

The U.S. property and casualty insurance market is large with $956 billion of premiums and growing steadily with 6% annualized growth over the last 10 years (faster growth more recently). Premiums are evenly split between personal lines and commercial lines. Insurance is often a compulsory purchase required to get a mortgage or drive a car, so demand is resilient through economic cycles. Premiums typically rise each year to reflect higher repair and replacement costs, so industry growth is inflation-protected. Brokerage commission rates have been relatively steady at a mid-teens percentage of premiums, so commission revenue typically grows in line with premiums. The industry has been undergoing a structural shift from the captive to the independent distribution model, leading to faster growth for independent agencies such as TWFG. In homeowners' insurance, the share of premiums sold by independent agencies increased from 41% in 2011 to 49% in 2021, while the share sold by captive agencies fell from 51% to 35% over the same period. We expect this shift from captive to independent distribution will continue, which should further increase the addressable market for TWFG.

TWFG was founded in 2001 by the company's CEO, Gordy Bunch. Bunch, a former insurance agent himself, has grown the business every year since inception while taking in little outside capital and retaining majority ownership. Over the last five years, the company's premiums and revenue have grown at a 19% annualized rate, more than twice as fast as the overall industry. With less than 1% share of a growing market, TWFG has a very long runway for growth. We expect TWFG will continue growing nearly 20% per year by adding agencies, both organically and through acquisitions. We believe that the 80/20 commission split is an attractive proposition for agents that delivers substantial value while allowing them to retain most of the economics. Additionally, TWFG has begun acquiring smaller agencies at favorable terms, leading to higher revenue and margins. We expect the company will use the IPO proceeds to accelerate the pace of these accretive acquisitions.

We believe that TWFG's long track record of growth, large addressable market, capital-light business model, opportunities for accretive M&A, and a founder-CEO with significant skin in the game make for a compelling investment. We expect TWFG to double EBITDA within three years, which should lead to good upside in the stock.

We also initiated a position in **Primerica, Inc.**, a provider of life insurance and investment products to middle income customers in the U.S. and Canada. We believe Primerica is a steady earnings grower with significant competitive advantages trading at a cheap valuation due to its underappreciated business model.

As the responsibility for retirement savings increasingly shifts to individuals, Primerica serves a growing need for financial planning in the underserved middle income customer segment. While most life insurers and financial planners target the wealthiest households, Primerica instead serves the less competitive middle-income segment, defined as the 54% of U.S. households with $30,000 to $130,000 of annual income. Primerica's 145,000 sales reps sell term life insurance underwritten by the company as well as mutual funds, annuities, and managed accounts on behalf of third-party asset managers. The company reinsures between 80% and 90% of the mortality risk for all term life insurance policies, thereby reducing the capital intensity and making the business model more akin to an asset-light broker than a traditional life insurer. The company's 26.5% ROE last year was more than double the 12.5% average ROE for other publicly traded life insurers.

The company's primary competitive advantage is its multi-level distribution model that uniquely positions it to reach small customers in a cost-efficient manner. Primerica's sales reps are all independent contractors who are responsible for their own expenses (much like TWFG's insurance agents discussed earlier). Reps earn commissions on both their own sales and sales made by other reps that they've recruited, thereby encouraging growth in the sales force. This mostly variable cost structure enables the company to efficiently serve a large number of small customers. Primerica's unique sales model is difficult to replicate since it was built through decades of recruiting and brand-building.

Primerica grew EPS at a 12% annualized rate over the last five years (adjusted for a recent accounting change) despite headwinds from uncertain equity markets and an unprofitable senior health business that was recently divested. We expect earnings to grow at a faster pace over the next few years from continued sales force growth, higher investment sales and asset-based fees, and ongoing share repurchases. The late Charlie Munger advised investors to "pay close attention to the cannibals – the businesses that are eating themselves by buying back their stock." Primerica fits this bill given that the share count has shrunk by over half since the company's IPO in 2010. We expect Primerica to continue buying back 4% to 5% of its shares each year, providing a meaningful tailwind to EPS growth. We believe our purchase of the stock at 12 times next year's earnings is a bargain for a high-quality, double-digit EPS compounder.

Table VII.
Top net sales for the quarter ended September 30, 2024

	Quarter End Market Cap ($ billions)	Net Amount Sold ($ thousands)
Fair Isaac Corporation	47.7	803.7
Endava plc	1.5	286.8
Apollo Global Management, Inc.	71.1	274.2
LPL Financial Holdings Inc.	17.4	267.2
BlackRock Inc.	141.6	240.6

We trimmed **Fair Isaac Corporation** and **Apollo Global Management, Inc.** to manage position sizes and fund additional purchases of **KKR & Co. Inc.**, which is now a full position after we first bought the stock in the second quarter. We trimmed **Endava plc** due to continued weak demand for IT services and lackluster management execution.

Outlook

We're pleased by the strong rally for fintech stocks during the third quarter, narrowing the performance gap with the broader market for the full year. While the rest of the market has been fixated on the infrastructure buildout to support generative AI, many fintech stocks have demonstrated strong earnings growth and share price appreciation due to idiosyncratic growth trends.

Sixteen of the Fund's holdings have risen more than 30% this year, representing 42% of the Fund's net assets. These strong performers operate across a variety of sectors, including consumer credit, enterprise software, insurance, asset management, payments, and brokerage. All of them are gaining share in large, growing markets due to their significant competitive advantages and outstanding management teams. We continue to invest in high quality companies operating at the intersection of financial services and technology where we see significant growth potential and superior returns.

Thank you for investing in the Fund. We remain significant shareholders alongside you.

Sincerely,

Josh Saltman
Portfolio Manager

Investors should consider the investment objectives, risks, and charges and expenses of the investment carefully before investing. The prospectus and summary prospectus contains 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: In addition to general market conditions, FinTech Companies may be adversely impacted by government regulations, economic conditions and deterioration in credit markets. Companies in the information technology sector are subject to rapid changes in technology product cycles; rapid product obsolescence; government regulation; and increased competition, both domestically and internationally, including competition from foreign competitors with lower production costs. The IT services industry can be significantly affected by competitive pressures, such as technological developments, fixed-rate pricing, and the ability to attract and retain skilled employees, and the success of companies in the industry is subject to continued demand for IT services. The Fund invests in companies of all sizes, including small and medium sized companies whose securities may be thinly traded and 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 manager 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 FinTech Fund by anyone in any jurisdiction where it would be unlawful under the laws of that jurisdiction to make such offer or solicitation.

Active Share a term used to describe the share of a portfolio's holdings that differ from that portfolio's benchmark index. It is calculated by comparing the weight of each holding in the Fund to that holding's weight in the benchmark. Positions with either a positive or negative weighting versus the benchmark have Active Share. An Active Share of 100% implies zero overlap with the benchmark. **Upside Capture** explains how well a fund performs in time periods where the benchmark's returns are greater than zero. **Free cash flow (FCF)** represents the cash that a company generates after accounting for cash outflows to support operations and maintain its capital assets. **EPS Growth Rate** (3-5-year forecast) indicates the long term forecasted EPS growth of the companies in the portfolio, calculated using the weighted average of the available 3-to-5 year forecasted growth rates for each of the stocks in the portfolio provided by FactSet Estimates. The EPS Growth rate does not forecast the Fund's performance.

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).

DEAR BARON INDIA FUND SHAREHOLDER:

PERFORMANCE

Baron India Fund® (the Fund) gained 6.33% (Institutional Shares) during the third quarter of 2024, while its relevant benchmark index, the MSCI AC Asia ex Japan/India Linked Index (the Linked Benchmark), was up 3.96%. As of market close on August 30, Baron New Asia Fund was converted into Baron India Fund, necessitating a Linked Benchmark to represent the comparable market performance for the quarter, and to allow the predecessor track record to attach to the new Fund. In essence, our reported performance represents the return of Baron New Asia Fund for July and August and that of the reconstituted Baron India Fund for September. As noted, the Fund outperformed the Linked Benchmark during a solid quarter for global equity returns.

While the seminal event during the third quarter was the U.S. Federal Reserve's (the Fed) 50 basis point rate cut, marking the beginning of a long-awaited easing cycle, we would argue that the nearly simultaneous emergence of two additional catalysts have markedly increased the likelihood that we have now entered a sustainable and mean-reverting outperformance phase for developing world and Indian equities. The first was Japan's exit from zero interest rate policy, signaling interest rate and monetary policy normalization and a bottom to the 13-year bear market in the Japanese yen, which we believe will likely provoke a longer-term inflection point in global capital flows away from over-owned U.S. assets and in the direction of non-U.S. bonds and equities. Second was the comprehensive and unexpected pivot in monetary and fiscal stimulus intensity announced in late September by Chinese authorities, finally projecting a sense of urgency and commitment regarding economic recovery and property market stabilization, while clearly prioritizing the execution of pro-growth policy initiatives. In response to the above, developing world equities markedly outperformed the S&P 500 Index during the third quarter, while the MSCI India Index has returned an impressive 18.03% since the mid-April peak in inflation expectations, outperforming the S&P 500 Index by 3.47% over this period. Although trading at healthy valuations, we remain optimistic that notwithstanding the recent rally, Indian equities offer an attractive long-term entry point given the unique growth potential of the Indian economy and the leading role played by private sector entrepreneurs, the volume of productivity enhancing reforms, and India's position in our view as the largest beneficiary of the evolving geopolitical landscape. We believe these factors will support many years of strong earnings growth for well-managed businesses in India, many of which we have invested in.

MICHAEL KASS
PORTFOLIO MANAGER
ADVISER

ANUJ AGGARWAL
PORTFOLIO MANAGER

Retail Shares: BINRX
Institutional Shares: BINDX
R6 Shares: BINUX

Table I.
Performance
Annualized for periods ended September 30, 2024

	Baron India Fund Retail Shares[1,2]	Baron India Fund Institutional Shares[1,2]	MSCI AC Asia ex Japan/ India Linked Index[1]	MSCI AC Asia ex Japan Index[1]	MSCI India Index[1]	MSCI Emerging Markets Index[1]
Three Months[3]	6.21%	6.33%	3.96%	10.40%	7.29%	8.72%
Nine Months[3]	25.12%	25.27%	14.10%	21.16%	25.41%	16.86%
One Year	32.59%	32.88%	21.43%	28.95%	40.33%	26.05%
Three Years	(1.96)%	(1.71)%	(1.37)%	0.62%	11.64%	0.40%
Since Inception (July 30, 2021)	(0.73)%	(0.49)%	(1.92)%	(0.05)%	14.92%	(0.08)%

Due to the conversion of Baron New Asia Fund into Baron India Fund during the third quarter, and the coincident transition in the benchmark index, we will not provide third quarter 2024 performance attribution. We will resume attribution commentary in the upcoming fourth quarter 2024 letter, which will reflect the first full quarter of Baron India Fund.

Performance listed in the above table is net of annual operating expenses. Annual estimated expense ratios for the Retail Shares and Institutional Shares was 7.26% and 6.79%, respectively, but the net annual expense ratio was 1.45% and 1.20% (net of the Adviser's fee waivers and expense reimbursements), 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 Adviser waives and/or reimburses certain Fund expenses pursuant to a contract expiring on August 29, 2035, 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 BaronCapitalGroup.com or call 1-800-99-BARON.

1 The **MSCI AC Asia ex Japan/India Linked Index Net (USD)** was created by the Adviser and links the performance of the MSCI AC Asia ex Japan Index for all periods prior to September 1st, 2024 and the MSCI India Index for all periods thereafter. The **MSCI AC Asia ex Japan Index Net (USD)** measures the performance of large and mid cap equity securities representation across 2 of 3 developed markets countries (excluding Japan) and 8 emerging markets countries in Asia. The **MSCI India Index Net (USD)** is a broad-based securities index that is designed to measure the performance of the large and mid-cap segments of the Indian market. The **MSCI Emerging Markets Index Net (USD)** is designed to measure equity market performance of large and mid-cap securities across 24 Emerging Markets countries. MSCI is the source and owner of the trademarks, service marks and copyrights related to the MSCI Indexes. The indexes and the Fund include reinvestment of dividends, net of foreign withholding taxes, which positively impact the performance results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly in an index.

2 The performance data does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares.

3 Not annualized.

Table II.
Top contributors to performance for the quarter ended September 30, 2024

	Contribution to Return%
Trent Limited	1.77
Bharti Airtel Limited	1.55
GMR Power and Urban Infra Limited	1.22
Zomato Limited	1.20
Kaynes Technology India Limited	0.98

Trent Limited is a leading retailer in India that sells direct-to-consumer private label apparel through its proprietary retail network. Shares were up on better-than-expected quarterly sales performance as well as the continued expansion of its Zudio value fashion franchise. We believe the company will generate over 25% revenue growth in the near-to-medium term, driven by same-store-sales growth and outlet expansion. In addition, we believe improved operating leverage and a growing franchisee mix will lead to increased profitability and return on capital, driving an EBITDA CAGR of more than 30% over the next three to five years.

Shares of **Bharti Airtel Limited** contributed during the quarter driven by steady earnings performance and visibility into strong future free cash flow generation as the company is likely at its peak capex intensity. As India's dominant mobile operator, the company is benefiting from ongoing industry consolidation. In particular, Vodafone Idea, a key player and competitor, is on the verge of bankruptcy amid severe pricing pressure and an unsustainable balance sheet. We retain conviction as Bharti Airtel transforms into a digital services company and benefits from rising mobile tariffs.

GMR Power and Urban Infra Limited is an Indian company that specializes in power generation, railway and road construction, and urban development. Shares were up this quarter on improving profitability. Longer term, GMR is well positioned to participate in India's power upcycle, where renewable energy capacity is expected to grow at a 15% to 20% compounded rate. We think the company will strengthen its balance sheet by monetizing stranded power and land assets, recovering receivables from state-owned power distribution companies, and continually reducing corporate debt. We expect GMR to deliver low double-digit EBITDA growth over the next three to five years, with additional upside from improving balance sheet health.

Table III.
Top detractors from performance for the quarter ended September 30, 2024

	Contribution to Return%
Reliance Industries Limited	–0.37
SK hynix Inc.	–0.30
PDD Holdings Inc.	–0.30
Kanzhun Limited	–0.21
Samsung Electronics Co., Ltd.	–0.21

Reliance Industries Limited is India's leading conglomerate, with businesses that encompass petrochemicals, refining, and oil-and gas-related operations as well as retail, telecommunications, and media. Shares were down during the quarter due to soft performance in the retail business. Longer term, Reliance is well positioned to leverage its telecommunications network to transform into a digital services company, offering products such as video streaming, broadband, and e-commerce services. The company is also laying the groundwork to create an online marketplace that will connect over 12 million mom & pop retailers to over 400 million mobile and internet subscribers. We believe earnings will sustain high double-digit growth over the next three to five years.

After a strong start to the year, shares of **SK hynix Inc.**, a South Korean memory semiconductor company, partially retraced gains due to concerns about a potential decline in DRAM and NAND prices. Despite short-term cyclical pressure, we believe the memory industry is on the cusp of a multi-year growth phase, enjoying structural demand growth as servers, smartphones, PCs, and other devices become ever more computationally intensive. We also believe SK hynix will remain a key beneficiary of surging AI-driven demand for high-bandwidth memory (HBM), which uses advanced packaging to vertically stack DRAM chips, resulting in higher bandwidth and improved power efficiency. We expect the company to remain the industry leader in cutting-edge HBM and generate robust earnings growth over the next several years.

PDD Holdings Inc. operates China's second-largest e-commerce platform and the growing cross-border shopping platform Temu. Shares experienced a notable decline after management's remarks during a recent earnings call. While PDD's second quarter results showed a slight revenue miss, profitability remained solid, and the company continued to outperform its peers. However, the market was taken aback by the unconventional tone of the call, where management expressed a surprisingly bearish outlook on future profitability, proposed strategies that appeared misaligned with broader industry trends, and reiterated their decision to withhold shareholder returns despite a strong net cash position and Temu's improving financials. These developments raised concerns about a potential misalignment between management and shareholder interests, prompting us to reduce our position due to increased corporate governance risks.

Portfolio Structure

Table IV.
Top 10 holdings as of September 30, 2024

	Percent of Net Assets%
Bharti Airtel Limited	8.6
Trent Limited	7.4
Reliance Industries Limited	5.9
Indus Towers Limited	4.9
HDFC Bank Limited	4.8
ICICI Bank Limited	4.7
Tata Consultancy Services Limited	4.3
Zomato Limited	3.8
JM Financial Limited	3.4
Kaynes Technology India Limited	2.9

Table V.
Fund investments in GICS sectors as of September 30, 2024

	Percent of Net Assets(%)
Financials	25.6
Communication Services	16.7
Consumer Discretionary	15.3
Industrials	9.5
Information Technology	7.2
Energy	5.9
Consumer Staples	5.4
Health Care	4.2
Materials	3.4
Utilities	2.3
Real Estate	1.2
Cash and Cash Equivalents	3.2
Total	**100.0***

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

Exposure by Market Cap: The Fund may invest in companies of any market capitalization, and we have generally been broadly diversified across large-, mid-, and small-cap companies, as we believe developing companies of all sizes in Asia can exhibit attractive growth potential. At the end of the third quarter of 2024, the Fund's median market cap was $12.6 billion, and we were invested 52.8% in giant-cap companies, 25.5% in large-cap companies, 13.3% in mid-cap companies, and 5.2% in small-and micro-cap companies, as defined by Morningstar, with the remainder in cash.

Recent Activity

During the third quarter, upon the successful conversion of the Fund into an India dedicated strategy (effective September 1, 2024), we divested all our non-India holdings and reallocated capital across various India-related themes. Since the current quarter is a period of transition from Baron New Asia Fund into Baron India Fund, we expect to recategorize some of our investments into new themes that better represent our India focus going forward. We will provide more details in our next letter upon completing a full quarter as Baron India Fund.

As part of our India consumer finance/wealth management theme, we initiated a position in **ICICI Bank Limited**, the second largest private sector bank in India. Through its vast distribution network of nearly 6,000 branches, the company offers a complete suite of banking products to commercial and retail clients. ICICI is conservatively managed with a solid balance sheet, including a growing proportion of low cost deposits, stable asset quality, and high capital ratios. The bank has invested heavily in modernizing its technology infrastructure and is at the forefront of developing digital solutions for its clients, which we deem as a competitive advantage. In recent years, management has sought to expand the retail banking business, which has brought higher risk-adjusted returns for the bank and enabled it to close the profitability gap compared to other leading private sector banks, delivering ROEs in the high teens. We believe ICICI is well positioned to benefit from structural growth opportunities in India's financial services industry owing to its solid balance sheet, strong brand name, and superior digital offering. We expect the company to deliver mid-to-high teens earnings growth over the next three to five years while maintaining high-teens ROEs and robust asset quality.

We were also active in adding to our global security/supply-chain diversification theme, by initiating positions in **DCW Limited** and **Siemens Limited**. DCW is a leading Indian manufacturer of polyvinyl chloride, caustic soda, and related specialty chemicals. The company serves various end markets, including construction, chemicals, health care, and the manufacturing of glass, detergents, and dyes. Historically positioned as a commodity chemicals player, DCW has successfully pivoted into producing high-margin specialty chemicals, including chlorinated polyvinyl chloride (C-PVC), synthetic iron oxide pigment, and synthetic rutile, all of which are typically imported into India. Recently, India extended its anti-dumping duties on C-PVC imports from China and South Korea. In our view, DCW is a key beneficiary of such government policies that incentivize domestic manufacturing and push import substitution across various industries. We are encouraged by the company's commitment to further invest in production capacity for its specialty chemicals business, earning attractive margins and return on capital metrics. We expect the specialty product mix to increase from the current 20% of sales to over 50% over the next five years, which will likely serve as a re-rating catalyst for the stock. In our view, DCW is well positioned to deliver over 30% compounded earnings growth over the next two to three years.

Siemens, a subsidiary of parent Siemens AG, is India's leading engineering and technology conglomerate. The company manufactures steam turbines, switchgear, motors, generators, transformers, and smart grid systems. It serves clients across various industries, including smart infrastructure, mobility, automation, and power transmission and distribution. Siemens is a key beneficiary of accelerating infrastructure spend by the Indian government and private sector. With about 30% revenue exposure to power transmission, we believe the company is particularly well positioned to benefit from India's energy upcycle, driving orders wins and operating leverage. We expect Siemens to deliver 15% to 20% compounded earnings growth over the next three to five years. Additionally, the company is in the process of demerging its power division, which is expected to become the largest pure-play power transmission equipment company in India. In our view, this event will further unlock shareholder value.

During the quarter, we also increased exposure to our Asia consumer theme, by initiating an investment in **Avenue Supermarts Limited**, a leading food and grocery retailer in India. The company currently operates 371 stores across 12 states under its flagship "DMart" brand. In our view, DMart's competitive moat lies in its ability to offer the best value for money to customers, due to its vast scale and strong negotiating leverage with suppliers. Excess profitability is typically returned to customers via lower prices which supports higher footfalls and operating leverage, thereby strengthening its value proposition. The company also owns its real estate, leading to lower operational costs and higher profitability along with a stronger balance sheet versus peers. The grocery retail industry in India is currently dominated by unorganized players, while branded grocery chains like DMart account for only 15% of the market. We believe the company is well positioned to benefit from accelerating industry consolidation as customer preferences gravitate toward organized retailers offering good value at affordable prices. We are also excited about DMart's store expansion plans as it deepens its network in existing cities while also launching into newer territories. We expect the company to deliver high teens compounded earnings growth over the next three to five years.

As we transitioned the Fund to an India dedicated strategy, we added to several of our existing India positions during the quarter, including **Tata Consultancy Services Limited**, **HDFC Bank Limited**, **Reliance Industries Limited**, **JM Financial Limited**, **Aster DM Healthcare Limited**,

Cholamandalam Investment and Finance Company Limited, **Bharti Airtel Limited**, **Tata Communications Limited**, and **Bajaj Finance Limited**.

During the quarter, apart from exiting our non-India holdings, we also divested our position in **Amber Enterprises India Limited**, as we continue our endeavor to allocate capital to our highest convictions ideas.

Outlook

For nearly a year, we have highlighted that in our opinion, the Fed's monetary policy was holding hostage the emerging market (EM) and international economies where inflation had already been tamed, and by extension, where real interest rates were already too restrictive. In recent years, the U.S. became the epicenter of the inflation challenge, in our view by virtue of the much greater monetary and fiscal shock therapy administered by U.S. policymakers in the aftermath of the COVID pandemic. Unfortunately for such foreign jurisdictions, Fed tightening is a global, one-size-fits-all prescription. We have anticipated for some time that a mean-reverting Asia/India outperformance cycle was due, but that greater certainty regarding Fed easing and/or perhaps rate-normalization in Japan or a more forceful China stimulus would be the necessary catalysts to set such a cycle in motion. As anticipated in our previous letter, where we suggested that moderating U.S. economic and inflation trends would warrant Fed rate cuts sooner than later, we can finally say we have reached the elusive inflection point. As evidence, during the third quarter, the Fed cut its policy rate by a greater than expected 50 basis points, and the MSCI AC Asia ex Japan Index rose 10.40% versus 5.89% for the S&P 500 Index, while the MSCI India Index gained 7.29%. Further, since the year-to-date peak in U.S. inflation expectations in mid-April, Asia ex-Japan and Indian equities have returned an impressive 19.74% and 18.03%, respectively, markedly outperforming the S&P 500 Index's 14.56% return. With all three of the aforementioned catalysts now kicking in, we believe it is increasingly likely that a sustainable developing Asia/India relative outperformance cycle has begun.

It appears that early in the quarter the Japanese yen finally bottomed after a 13-year bear market and a decline of over 50% versus the U.S. dollar. This bottom is confirmed in our view by the Bank of Japan's recent move to exit zero interest rate policy while further increasing its short-term policy rate by greater-than-market expectations. This signaling of monetary policy and interest rate normalization took markets by surprise, and triggered an abrupt "Japan carry-trade unwind," which sent shock waves throughout global capital markets beginning in July and continuing into August. In our view, this event has longer-lasting implications as Japanese institutions and retail investors will likely embark on a longer-term repatriation of assets back to the appreciating home currency, while global hedge funds, speculators, and investors are also likely to deleverage and reposition, which in our view collectively will favor previously underperforming assets such as EM and Asia at the expense of the more over-owned *Magnificent Seven* and U.S. equities in general. For reference, it is estimated that Japanese institutions and retail investors hold over $5 trillion in total foreign securities, with an estimated $1.1 trillion in U.S. treasuries as well as a large exposure to U.S. equities. Foreigners in aggregate own over $10 trillion, or roughly 18% of the $55 trillion market cap of U.S. equities, and up from $3.1 trillion when the yen last peaked in 2011. If, as we suspect, Japan repatriation has begun in earnest, this could likely trigger a broader tipping point in foreign ownership of U.S. equities, reversing a key trend that has been in place for over a decade.

Further supporting the outlook for Asian (and global) equities, late in the quarter China's policymakers also surprised markets with several fresh initiatives. First, on September 24, the People's Bank of China (PBOC) announced a significant step-up in economic support via a cut to the bank reserve requirement ratio and a simultaneous policy rate cut of 20 basis points (double the typical amount), with a rare public statement that more easing is to come. Additionally, for the first time ever, the PBOC set up a mechanism to directly support the equity markets including funding/lending for corporate buybacks – in effect, "stimulus with benefits" and enhanced governance for equity investors. Simultaneously, the Chinese banking regulator announced plans to recapitalize large state banks, addressing any capital/credit concerns and positioning the state banks to increase lending while also supporting property sector stabilization. Only two days later, the Politburo (the top leadership of the Communist Party) concluded a rare "surprise economic meeting," essentially projecting a sense of urgency, with official commentary confirming that economic recovery and the execution of pro-growth policy initiatives are now of the highest priority. The Politburo for the first time explicitly pledged to arrest the decline and foster stabilization of property prices while outlining several tools at their disposal to do so. In addition, and perhaps the most critical to many investors' assessment of the credibility of the communique, the Politburo mentioned consumption, confidence and the welfare of Chinese households – alluding to forthcoming fiscal stimulus while also contrasting the exclusive supply-side emphasis of prior initiatives. Without question, this represents a new level of commitment on behalf of China's leadership, which in our view is more likely than not to improve consumer and business confidence while also enhancing forward-looking corporate earnings estimates. We have consistently communicated that while the long-term fundamental and the geopolitical environment vis-a-vis China has deteriorated, in our view such challenges were well-discounted in equity prices, resulting in more upside potential than downside. Further, lack of traction on previously announced policy measures in our view raised the odds of triggering an "all-in" stimulus signal, which we believed at the time could drive 30% to 50% gains across many of our holdings if viewed as credible. As most China-related indices rallied roughly 20% in the final week of September, with private sector and growth-oriented individual equities up significantly more, we are heartened but also carefully monitoring valuations, as we suspect we have now traveled some portion of the way towards our assessment of fair value. While India, Taiwan and China ended the third quarter leading all major EM/Asian jurisdictions, up more than 25% year-to-date and outperforming the S&P 500 over this period, we continue to believe that over the long-term, India offers the most attractive and broadest set of investment opportunities consistent with the Baron approach.

A word on the upcoming U.S. election. The U.S. election appears an almost dead heat at the writing of this letter, meaning investors cannot reasonably predict the outcome. While many have voiced concerns regarding election-related risks to non-U.S. equities, we have cautioned that many of these concerns have been known for some time and that after a multi-year, relative bear market, a lot is already discounted in the price. Further, while the likelihood and viability of a second Trump administration's tariff policy is difficult to predict, we submit that a Harris administration would nearly certainly be dollar bearish, while Trump has explicitly called for a weaker dollar and an easier Fed should he prevail. In our view, the U.S. dollar remains perhaps *the* critical variable in assessing the outlook for non-U.S. equity relative performance, and we reiterate that we believe a dollar bear market is likely already underway (good for non-U.S. performance). As such, while we certainly anticipate bouts of volatility heading into the election and its aftermath, we do not currently believe the outcome of this election should have a material or lasting effect on the intermediate or longer-term outlook for Asia/India-related equities.

Thank you for investing in the Baron India Fund.

Sincerely,

Michael Kass
Portfolio Manager Adviser

Anuj Aggarwal
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.

As stated within the Supplement to the Prospectus and Statement of Additional Information dated April 26, 2024, effective September 1, 2024, Baron New Asia Fund® has changed its name to Baron India Fund®. For additional information please refer to the Supplement.

Risks: Non-U.S. investments may involve additional risks to those inherent in U.S. investments, including exchange-rate fluctuations, political or economic instability, the imposition of exchange controls, expropriation, limited disclosure and illiquid markets. In addition, investments in developing countries may have increased risks due to a greater possibility of settlement delays; currency and capital controls; interest rate sensitivity; corruption and crime; exchange rate volatility; and inflation or deflation. Government actions, bureaucratic obstacles and inconsistent economic reform within the Indian government have had a significant effect on the Indian economy and could adversely affect market conditions, economic growth and the profitability of private enterprises in India.

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 manager 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 New Asia Fund by anyone in any jurisdiction where it would be unlawful under the laws of that jurisdiction to make such offer or solicitation.

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).

Baron Technology Fund

Dear Baron Technology Fund Shareholder:

Performance

During the third quarter, Baron Technology Fund® (the Fund) rose 3.85% (Institutional Shares), outperforming the MSCI ACWI Information Technology Index (the Benchmark), which increased 1.12%. The Fund underperformed the broader S&P 500 Index, which rose 5.89%. For the first nine months of 2024, the Fund posted solid gains, increasing 27.58%, slightly outperforming the Benchmark, which rose 26.19%, but materially beating the S&P 500 Index, which appreciated 22.08%.

Table I.
Performance
Annualized for periods ended September 30, 2024

	Baron Technology Fund Retail Shares[1,2]	Baron Technology Fund Institutional Shares[1,2]	MSCI ACWI Information Technology Index[1]	S&P 500 Index[1]	MSCI ACWI Index[1]
Three Months[3]	3.79%	3.85%	1.12%	5.89%	6.61%
Nine Months[3]	27.46%	27.58%	26.19%	22.08%	18.66%
One Year	51.45%	51.76%	48.35%	36.35%	31.76%
Since Inception (December 31, 2021)	5.25%	5.58%	10.43%	8.85%	6.33%

MICHAEL A. LIPPERT — PORTFOLIO MANAGER
ASHIM MEHRA — PORTFOLIO MANAGER

Retail Shares: BTEEX
Institutional Shares: BTECX
R6 Shares: BTEUX

Review & Outlook

U.S. equities closed higher for a fourth consecutive quarter, as generally upbeat economic reports supporting the soft-landing narrative and the Federal Reserve's long-awaited dovish pivot spurred a meaningful rotation out of large-cap, *Magnificent Seven* stocks and into value/cyclicals/small caps. Beneath the surface, the market advance was anything but uneventful, with the S&P 500 Index falling by nearly 9% in late July/early August and by more than 4% in early September, before quickly recouping losses on both occasions. Shifting investor sentiment was reflected in the movement of the VIX Index, which briefly spiked above 65, its highest level since the onset of the COVID-19 pandemic and a mark hit only a few times in its 35-year history. The Magnificent Seven, which dominated market performance during the first half of the year, moved in opposite directions during the third quarter, as double-digit gains from **Tesla, Inc.**, **Meta Platforms, Inc.**, and **Apple Inc.** were mostly offset by declines from Alphabet, **Amazon.com, Inc.**, **Microsoft Corporation**, and **NVIDIA Corporation**, with the group posting a modest gain of 1.7% for the period. Sector leadership was centered in rate-sensitive sectors expected to benefit from lower interest rates, namely Utilities, Real Estate (REITs), Industrials (building products), Financials (regional banks and insurers), and Consumer Discretionary (homebuilders). Information Technology (IT) and Communication Services underperformed due to declines from certain members of the Magnificent Seven, specifically Microsoft, NVIDIA, and Alphabet.

Despite this backdrop for the quarter, Fund performance was solid, with a strong quarterly absolute gain of 3.85%, and solid relative outperformance versus the primary Benchmark. This was due to stock picking, as the Fund's differentiated holdings and weights drove relative outperformance of 273 basis points. Relative outperformance stemmed from our investments in newer holdings **GDS Holdings Limited** (pan-Asia data center company) and **Duolingo, Inc.** (learning language innovator); electric vehicle (EV) and

Performance listed in the above table is net of annual operating expenses. The gross annual expense ratio for the Retail Shares and Institutional Shares as of December 31, 2023 was 4.58% and 5.04%, respectively, but the net annual expense ratio was 1.20% and 0.95% (net of the Adviser's fee waivers and expense reimbursements), 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. The Adviser waives and/or reimburses certain Fund expenses pursuant to a contract expiring on August 29, 2035, 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 BaronCapitalGroup.com or call 1-800-99-BARON.

1 The **MSCI ACWI Information Technology Index Net (USD)** is designed to measure large and mid cap securities across 23 Developed Markets (DM) countries and 24 Emerging Markets (EM) countries. All securities in the index are classified in the Information Technology sector as per the Global Industry Classification Standard (GICS®). The **S&P 500 Index** measures the performance of 500 widely held large-cap U.S. companies. MSCI is the source and owner of the trademarks, service marks and copyrights related to the MSCI Indexes. The **MSCI ACWI Index Net (USD)** is designed to measure the equity market performance of large and midcap securities across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. The MSCI Indexes and the Fund include reinvestment of dividends, net of foreign withholding taxes, while the S&P 500 Index includes 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 Not annualized.

autonomous driving and robotics leader, Tesla; digital audio streaming leader, **Spotify Technology S.A.**; police technology leader, **Axon Enterprise, Inc.**; e-commerce platform leader, **Shopify Inc.**; property and casualty insurance platform, **Guidewire Software, Inc.**; and IT and industrial research and advice leader, **Gartner, Inc.** Our underweight in Microsoft and zero weight in Samsung Electronics were other positive relative contributors in the quarter. On the flip side, notable relative detractors included semiconductor holdings, **indie Semiconductor, Inc.** and **Lam Research Corporation** (see below); online retail and cloud computing leader, Amazon, due to a weaker than expected quarter (see below); and the Fund's underweight in Apple, which rose this quarter in anticipation of the launch of Apple Intelligence to come in early 2025, Apple's initial foray into generative AI (Gen AI).

AI Infrastructure/Semiconductor Demand

Following up on the AI discussion in our last letter,[1] our research over the past three months, including a recent Baron research trip up and down Silicon Valley, has confirmed that we remain in an AI arms race. This arms race can be described as a contest to develop the one foundational model[2] to "rule them all," to borrow a line from Tolkien, and be the first to achieve artificial general intelligence, or AGI.[3] The racecourse has been built on scaling laws, and the race obstacles are data, compute, and models. AI scaling laws describe the predictable trend of improvement in model performance with increases in three key factors: model size (number of parameters), data size (amount of training data), and compute instances (amount of computation used). Here is a simple breakdown:

- ***More data***: As we train models on larger datasets, they generally perform better. More data provides a richer set of examples for the model to learn from, helping it capture patterns and nuances.
- ***More Compute***: Increasing computational power (more GPUs or faster processors) allows for training larger models or training existing models more thoroughly. With more compute, models can process data faster and experiment with more parameters, leading to better performance.
- ***Larger Models***: Increasing the size of the model, i.e., the weights or parameters, helps the model gain more capacity or brainpower to learn from larger datasets and capture more intricate patterns.
- ***Better Answers***: Larger models provide better answers to user questions.

Companies that don't enter the AI race are left watching from the sidelines, missing out on the biggest technology and industrial transformation and economic jackpot in a generation. The entry fee of capital and operating investments is high. But the winners' podium will likely hold more than just the first, second, and third places, but probably less than 10. None of the large hyperscalers nor consumer internet players, not to mention a handful of sovereigns, can risk not having runners in this race.

To be sure, just the other day, Jensen Huang, NVIDIA's CEO, stated in a CNBC interview that "the demand for Blackwell [NVIDIA's next-generation platform] is insane. Everybody wants to have the most and everybody wants to be first." Larry Ellison, the CEO and founder of Oracle, publicly told the story of how he and Elon Musk were literally "begging Jensen for GPUs" over dinner with him. Elon's xAI recently opened a new data center, called Colossus, in Memphis, Tennessee, which was described by an xAI employee as "the largest data center on the planet." On our research trip, we met with the CEO of a major AI infrastructure player, who stated, in very blunt terms, we are "building…big a** networks for them," explaining that each of the "big 5"–Amazon, Google, Microsoft, Meta, and Oracle–are planning to build data centers at the scale of 100,000 AI accelerator chips (i.e., GPUs).

Here are a few quotes from hyperscaler CEOs on the AI infrastructure arms race:

- Amazon CEO Andy Jassy: "While we're investing a significant amount in the AI space and in infrastructure, we would like to have more capacity than we already have today. I mean, we have a lot of demand right now, and I think it's going to be a very, very large business for us."
- Meta CEO Mark Zuckerberg: "The downside of being behind is that you're out of position for like the most important technology for the next 10 to 15 years…I'd rather risk building capacity before it is needed rather than too late, given the long lead times for spinning up new infra projects…The amount of compute needed to train Llama 4 will likely be almost 10 times more than what we used to train Llama 3 and future models will continue to grow beyond that."
- Alphabet's Sundar Pichai: "When we go through a curve like this, the risk of underinvesting is dramatically greater than the risk of overinvesting for us here. Even in scenarios where if it turns out that we are overinvesting… these are infrastructure which are widely useful for us."

While scaling laws have governed the mounting investments in model training infrastructure, they are now set to drive an inflection in inference compute requirements. Just a few weeks ago, OpenAI released a new series of "chain of thought" models, nicknamed Strawberry and released as the o1 series, designed to spend more time thinking and reasoning before they provide an inference response (measured by the number of tokens). These models reason through complex tasks and solve harder problems than previous models in science, coding, and math. This is a new type of inference architecture, where the models iterate on the answer after the initial prompt or query. In simple terms, the first answer becomes the new prompt and the model cycles through iterations as it "thinks" until the best answer is achieved. Inference innovations and evolutions like this require significantly more compute for inferencing, another growth driver for the AI accelerator manufacturers, like NVIDIA and **Broadcom Inc.** One of our team asked Jensen about this and he replied that "this is a massive inflection…all of a sudden, the model has to be inferenced many more times for each token… depending on the quality of the answer." A recent Morgan Stanley note stated: "inference is starting to solve much more complex problems which will require a richer mix of hardware...the notion that a more thoughtful, task-oriented inference would cause an exponential jump in inference complexity strikes us as an important new avenue for growth."

The Data Layer

In our discussion of software in our last letter,[4] we stated that "the enterprise software winners will have to be better at delivering AI services and features than build-your-own AI tools" and that "the winners will be the

[1] As well as the Baron Insights piece, "AI Hype and the Death of Software," dated September 2024, which can be found on the Firm's website.
[2] A foundational model is a machine learning or deep learning model that is trained on broad data sets such that it can be applied across a wide range of use cases.
[3] AGI refers to the hypothetical intelligence of a machine that possesses the ability to understand or learn any intellectual task that a human being can.
[4] See also the Baron Insights piece mentioned in footnote 1.

ones that have a well-established product development culture of innovation and iteration; differentiated proprietary, industry, and customer data; distribution advantages with large customer bases, successful go-to-market efforts, and key partners; well-designed workflows where AI improves the user interface, intelligent predictions/recommendations, and automation; and established always-on connectivity and feedback from their customers; among other things." In this piece, we'd like to focus on the importance of "the data layer" of the AI stack and in building differentiated AI applications.

While much attention today is often placed on the semiconductor or infrastructure layer of the AI stack, as we did above, our research has confirmed that it is the data layer–proprietary data and robust data processing–that forms the foundation for advanced AI applications. To build transformative, reliable AI applications, companies will need to build strategies around their data. Without a robust and scalable data infrastructure, AI models and algorithms lack essential raw material to generate meaningful insights, predictions, and automation. An advantageous data asset is not just about volume, it's about how the data is managed and processed—it's about quality (is the data accurate, complete, clean, and reliable?), structure (how is the data organized, stored, and manipulated?), accessibility (can models access it for inference and training?), orchestration (how is the data organized and combined with data from multiple sources?), and governance (is the data compliant and secure?). Proprietary datasets are becoming key differentiators. Organizations with unique access to high-quality, domain-specific data are positioning themselves to build smaller, use-case-specific models that deliver superior performance, enabling them to solve more complex problems. For example, Axon, the leader in public safety and law enforcement technology, holds over 100 petabytes of data through body cameras, in-car systems and sensors, which is cleaned, structured, and stored in its cloud platform and then utilized by law enforcement agencies to provide real-time video analytics, incident prediction, and automated reporting. **Datadog, Inc.** monitors the IT infrastructure and application activity for 28,700 customers in every industry, collecting trillions of data points per hour from a very diverse set of application types and IT environments. It then applies AI techniques like root cause analysis, natural language querying, and autonomous investigations to help customers solve IT problems faster than competing solutions. Looking forward, we believe companies that have a firm grasp on data infrastructure, combined with unique access to proprietary datasets, will be essential drivers of value in the AI ecosystem.

We continue to run a high-conviction portfolio with an emphasis on the secular trends cited and listed. Among others, during the third quarter we initiated positions in or increased portfolio weights of the following positions:

- Digital learning: **Duolingo, Inc.**
- Digital media: **Reddit, Inc.**
- Data centers: **GDS Holdings Limited**
- Software: **CrowdStrike Holdings, Inc., GitLab Inc., HubSpot, Inc.,** and **Cloudflare, Inc.**
- Power and electrification services: **Quanta Services, Inc.**
- Semiconductors: **ASML Holding, N.V.** and **Broadcom Inc.**
- EVs: **Tesla, Inc.**

Table II.
Top contributors to performance for the quarter ended September 30, 2024

	Contribution to Return (%)
Duolingo, Inc.	1.12
GDS Holdings Limited	0.99
Spotify Technology S.A.	0.86
Tesla, Inc.	0.81
Apple Inc.	0.74

Duolingo, Inc. is the world's leading language learning app with over 100 million monthly active users, known for its effective gamification and high engagement. Shares were up this quarter, as Duolingo posted another quarter of impressive results, including 59% growth in daily active users (DAU), 41% revenue growth, and healthy adjusted EBITDA margins of 22%. More importantly, management affirmed continued forward user strength (over 50% year-over-year DAU growth for the rest of the year), and increased confidence that they reached product-market fit with their new initiatives. Management believes their Advanced English product is now strong enough for intermediate English learners and will allow them to take meaningful share in the global English learning market, which has 1.8 billion people. In addition, they are rolling out their premium AI tier (branded Max), which will allow users to practice speaking the language and converse with one of their AI characters in real time. Please see our further discussion of Duolingo in the top net purchases section below.

Shares of **GDS Holdings Limited** appreciated significantly during the quarter due to favorable business fundamentals, an inflection in customer lease signings with key U.S. cloud providers, and the company making further progress in securing additional growth capital for its international segment. Please see our further discussion of GDS in the top net purchases section below.

Spotify Technology S.A. is a leading global digital music service, offering on-demand audio streaming through paid premium subscriptions and advertising. Shares of Spotify were up, largely attributable to another impressive gross margin beat and a healthy increase in operating margin. Given the strong value proposition of the product, Spotify is beginning to exercise its pricing power with another price hike this quarter, following last year's initial price increases that saw minimal churn. Users continue to grow at a healthy pace, with paid users growing 12% year-over-year despite higher pricing. We believe Spotify will continue to raise prices in the future as it improves and differentiates its customer value proposition with audiobooks, AI features, super-premium tiers, and potentially an education offering. Beyond the solid topline, profitability is where Spotify really stood out this quarter: management guided third quarter gross margin to hit the 30% level, well ahead of expectations for a multi-year ramp to 30%, thanks to outsized strength from Spotify's artist promotions marketplace and improving podcast profitability. We believe there is further room to improve profitability with a path to 35% gross margins, given the continued growth of marketplace, advertising, podcasts, and audiobooks; operating efficiency remains a priority for the company as well. We still view Spotify as a long-term winner in music and audio streaming with potential to reach over 1 billion monthly active users and substantial cash flow generation.

Table III.
Top detractors from performance for the quarter ended September 30, 2024

	Contribution to Return (%)
indie Semiconductor, Inc.	–0.75
Lam Research Corporation	–0.59
Amazon.com, Inc.	–0.43
Micron Technology, Inc.	–0.41
Microsoft Corporation	–0.39

Indie Semiconductor, Inc. is a fabless designer, developer, and marketer of automotive semiconductors for advanced driver assistance systems (ADAS) and connected car, user experience, and electrification applications. Indie's stock fell during the quarter as it guided 2024 revenue growth below Street expectations, as auto production is expected to be incrementally worse, and excess inventory in the automotive supply chains of its customers has delayed indie's new chips from ramping into high-volume programs. Despite these near-term headwinds, indie is outperforming peers who are seeing significant year-over-year sales declines. It has not suffered a program cancellation for any intact car programs, and it continues to win new sockets in future car platforms, positioning the company for strong growth over the medium and long term, supported by its $6.3 billion design win backlog, of which $4.6 billion is in ADAS applications. Indie has several large-volume programs set to ramp beginning in early 2025, including a marquee radar-related win, the biggest program in the company's history, which we believe will drive a return to outsized growth in 2025 (indie doubled revenue each year from 2021 through 2023). We believe indie can continue to significantly outpace the broader industry and will approach $1 billion in revenue by the end of this decade, all supported by its contracted visibility, and its stock will re-rate as rapid growth returns.

Lam Research Corporation is a leading global supplier of wafer fabrication equipment (WFE) and services to the semiconductor industry. Its products tend to focus on etch and deposition process steps, and its tools are critical in the production of memory (NAND and DRAM) and compute chips. Lam's stock fell from all-time highs as broader WFE-related stock sentiment waned, driven by Intel's capex cuts, risk of further U.S. government restrictions on shipments to China, and tepid demand in the broader industry outside of AI-related chips. We believe we are at a key inflection point that will disproportionately benefit Lam, with: (i) a move to gate-all-around transistors in compute, creating an increasing need for complex deposition and etch process steps; (ii) the emergence of high-bandwidth memory; and (iii) advanced packaging requiring increasingly complex high-aspect-ratio (i.e. very deep) etches, where Lam has almost 100% market share. We also believe the market is underestimating Lam's pent-up earnings power as NAND memory WFE spending recovers from one of its worst-ever downcycles in 2023.

Amazon.com, Inc. is the world's largest retailer and cloud services provider. Shares of Amazon were down in the quarter, due to lower-than-expected profitability in their North American retail business. We believe that the quarter's miss is not representative of Amazon's medium-term profitability trajectory but was rather due to specific discretionary investments in the period. We continue to believe that Amazon's core North American retail profitability, excluding advertising, will return to peak pre-COVID levels, as the company benefits from its newly regionalized fulfillment network. Amazon's fast-growing and high-margin advertising business is further accretive to margins. Amazon's quarterly top-line results were healthy, particularly with its Amazon Web Services (AWS) cloud business reaccelerating to 19% year-over-year growth, following a tougher period of customer cloud optimization. While still in its early days, AWS also provides services for Gen AI workloads, which is currently a multi-billion-dollar annualized revenue run rate business. Amazon management continues to speak to strong customer demand at AWS, internal improvements from investing in AI, and customer interest in Amazon's value proposition of model choice and enterprise security. Longer term, Amazon has substantially more room to grow in core e-commerce, where it has less than 15% penetration of its total addressable market, and Amazon remains the leader in the vast and growing cloud infrastructure market that can grow double digits for years to come. Amazon also has optionality in growing its adjacent businesses in third-party logistics, health care, grocery, and others.

Portfolio Structure

We invest in companies of any market capitalization that we believe will deliver durable growth from the development, advancement, and/or use of technology. We invest principally in U.S. securities but may invest up to 35% in non-U.S. securities.

At the end of the third quarter, the largest market cap holding in the Fund was $3.5 trillion and the smallest was $790 million. The median market cap of the Fund was $44.5 billion and the weighted average market cap was $1.2 trillion.

We had investments in 38 unique companies. Our top 10 positions accounted for 57.2% of net assets.

To end the quarter, the Fund had $40.9 million in net assets. Fund flows were solid during the quarter.

Table IV.
Top 10 holdings as of September 30, 2024

	Quarter End Market Cap ($ billions)	Quarter End Investment Value ($ millions)	Percent of Net Assets (%)
NVIDIA Corporation	2,978.9	4.2	10.3
Amazon.com, Inc.	1,955.6	3.5	8.6
Microsoft Corporation	3,198.4	3.2	7.9
Apple Inc.	3,542.6	3.1	7.5
Broadcom Inc.	805.7	2.2	5.3
Spotify Technology S.A.	74.0	2.0	4.9
Taiwan Semiconductor Manufacturing Company Limited	900.7	1.6	3.9
Tesla, Inc.	835.8	1.4	3.3
Duolingo, Inc.	12.3	1.3	3.2
GDS Holdings Limited	4.0	1.0	2.3

Table V.
Fund investments in GICS industries as of September 30, 2024

	Percent of Net Assets (%)
Semiconductors & Semiconductor Equipment	27.4
Software	20.7
Broadline Retail	8.6
Technology Hardware Storage & Peripherals	7.5
IT Services	6.2
Entertainment	4.9
Interactive Media & Services	3.8
Automobiles	3.3
Diversified Consumer Services	3.2
Electronic Equipment Instruments & Components	3.0
Media	2.3
Real Estate Management & Development	2.2
Aerospace & Defense	1.2
Construction & Engineering	1.0
Hotels Restaurants & Leisure	0.9
Cash and Cash Equivalents	3.9
Total	**100.0***

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

Recent Activity

Table VI.
Top net purchases for the quarter ended September 30, 2024

	Quarter End Market Cap ($ billions)	Net Amount Purchased ($ thousands)
Duolingo, Inc.	12.3	915.9
Reddit, Inc.	10.9	639.7
GDS Holdings Limited	4.0	599.1
CrowdStrike Holdings, Inc.	68.8	528.1
Quanta Services, Inc.	43.9	340.9

Duolingo, Inc. is the world's leading language learning app with over 100 million monthly active users, known for its effective gamification and high engagement. After monitoring the company over the past year and a half, we developed conviction to buy the stock for a few reasons. The company has maintained premium levels of user growth (DAU growth of over 50%) and revenue growth (40%-plus), executed well against their product roadmap, gained early traction with new functionality, and maintained impressive 40%-plus incremental margins. We view the founder-led management team as best-in-class, technically capable (CEO and CTO both earned PhDs in machine learning from Carnegie Mellon University), and product focused. We initiated a position in the quarter as the share price fell to what we deemed attractive levels from a long-term valuation perspective, coupled with material catalysts on the horizon, particularly the broader launch of AI functionality (branded Max) that enables users to have real-time conversations with AI based characters and a substantial improvement of the company's Advanced English offering. We believe that these two initiatives take Duolingo from more of a hobby app to a company that can address the broader market of 1.8 billion people learning English today. As these products roll out in the coming quarters, we believe their adoption should drive the realization of higher pricing, faster revenue growth, lower churn, and continued margin improvement. We also believe there is additional optionality in newer products such as math and music, which are earlier in their product evolution.

Reddit, Inc. is the largest forum-based social network–where users can share content, ask questions, and engage in discussions with niche communities called subreddits–with over 91 million daily active users and 500 million monthly active users, monetizing primarily through digital advertising. We meaningfully increased our position size in the quarter, following strong quarterly results, meetings with management, and gaining further conviction around the company's advertising potential and unique content factory. Our core thesis remains consistent with our perspective since Reddit's IPO earlier this year: Reddit stands out as one of the last remaining platforms on the internet—alongside X—that fosters authentic, user-driven conversations. The term "Reddit" ranks as the 6th most searched term on Google, just after the term "news." We believe Reddit has a substantial runway for growth, with opportunities to enhance its core product, improve search functionality, and integrate more sports content to drive engagement. There is significant potential to increase usage and engagement both in the U.S. and, more importantly, internationally, as the company plans to expand from English to 12 additional languages over the next year. On the monetization front, Reddit is rapidly expanding its advertising capabilities by growing advertiser density, building out its sales force, developing new ad products, and launching its own on-site search capabilities and search-related advertising. Additionally, Reddit's vast and unique data set positions it as a valuable resource for Gen AI training, with major customers like Alphabet and OpenAI having licensed Reddit's content. We expect data licensing to become a significant high-margin revenue stream, potentially exceeding $200 million annually by next year.

In the most recent quarter, we initiated a position in **GDS Holdings Limited**. GDS is a pan-Asia data center operator with 1.5 gigawatts of power capacity across approximately 100 data centers in and around "tier one" cities in mainland China (GDS Holdings or GDSH), as well as 1.0 gigawatts of power capacity in its rapidly growing Asia ex-China business (GDS International or GDSI). GDS develops and leases data center space (on a power reservation basis) to the top global technology companies such as Alibaba, Tencent, ByteDance, Microsoft, Google, and Oracle under long-term, contracted arrangements. We recently met with CEO/founder William Huang and CFO Daniel Newman in our offices and believe the best days for the company are ahead of it due to durable secular tailwinds in cloud adoption (early innings in Asia, which are lagging the U.S. and rest of the world), continued growth in data, increasing demand from AI applications, and global constraints on power availability yielding sustained pricing power in light of low available supply amid continued strong demand. On a sum-of-the-parts basis, we see a path for the business to be worth $45 to $55 a share in two to three years versus approximately $20 at a recent market price. For GDSI, based largely on contracted customer commitments, we see cash flow growing from less than $50 million today to over $500 million over the next three years, with the opportunity to ramp towards $1 billion a few years after that. We value GDSI at $15 per share over the near term and $25 per share over the next four to five years. Regarding GDSH, we believe the mainland China data center business is at the doorstep of a growth inflection and see cash flow growing from about $700 million today to $1 billion over the next three years based on lease-up of its available power capacity. We value GDSH at $30 to $40 per share over the near term and remain encouraged that there will be several catalysts to further enhance value (including a structure to place certain stabilized data center assets into a listed REIT vehicle).

Table VII.
Top net sales for the quarter ended September 30, 2024

	Quarter End Market Cap or Market Cap When Sold ($ billions)	Net Amount Sold ($ thousands)
Meta Platforms, Inc.	1,448.3	588.4
Advanced Micro Devices, Inc.	265.6	314.0
Micron Technology, Inc.	98.7	311.3
Intapp, Inc.	2.3	268.1
BE Semiconductor Industries N.V.	10.6	195.2

We exited our semiconductor investments in **BE Semiconductor Industries N.V.** and **Micron Technology, Inc.**, and reduced our position in **Advanced Micro Devices, Inc.** We also exited our stake in software company **Intapp, Inc.** and trimmed our position in **Meta Platforms, Inc.** The capital from these adjustments was reallocated to new positions and increased investments in existing holdings, including **Duolingo, Inc.**, **Reddit, Inc.**, **GDS Holdings Limited**, **CrowdStrike Holdings, Inc.**, and **Quanta Services, Inc.**, among others.

To conclude, we remain confident in and committed to the strategy of the Fund: durable growth based on powerful, long-term, innovation-driven secular growth trends across the broader technology space.

Sincerely,

Michael A. Lippert
Portfolio Manager

Ashim Mehra
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: In addition to general market conditions, technology companies, including internet-related and information technology companies, as well as companies propelled by new technologies, may present the risk of rapid change and product obsolescence, and their successes may be difficult to predict for the long term. Technology companies may also be adversely affected by changes in governmental policies, competitive pressures and changing demand. Non-U.S. investments may involve additional risks to those inherent in U.S. investments, including exchange-rate fluctuations, political or economic instability, the imposition of exchange controls, expropriation, limited disclosure and illiquid markets. The Fund is non-diversified, which means it may have a greater percentage of its assets in a single issuer than a diversified fund. The Fund invests in companies of all sizes, including small and medium sized companies whose securities may be thinly traded and 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 Technology Fund by anyone in any jurisdiction where it would be unlawful under the laws of that jurisdiction to make such offer or solicitation.

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).

Portfolio Market Capitalization

Baron Asset Fund

Baron Asset Fund invests in mid-sized growth companies with market capitalizations above $2.5 billion or the smallest market cap stock in the Russell Midcap Growth Index at reconstitution, whichever is larger, and below the largest market cap stock in the Russell Midcap Growth Index at reconstitution.

Company	Equity Market Cap (in millions)	% of Net Assets
Space Exploration Technologies Corp.	$210,235^	2.8%
The Charles Schwab Corporation	118,559	2.2
Equinix, Inc.	84,276	1.0
Amphenol Corporation	78,472	2.4
Welltower Inc.	77,989	0.4
Spotify Technology S.A.	74,004	0.8
Roper Technologies, Inc.	59,650	2.9
Hilton Worldwide Holdings Inc.	56,802	0.2
The Trade Desk	54,048	1.3
Fair Isaac Corporation	47,652	3.6
MSCI Inc.	45,847	0.6
Quanta Services, Inc.	43,926	1.9
Arch Capital Group Ltd.	42,073	5.1
IDEXX Laboratories, Inc.	41,583	5.9
Gartner, Inc.	39,051	9.7
Verisk Analytics, Inc.	38,164	5.2
CBRE Group, Inc.	38,145	1.4
Veeva Systems Inc.	33,985	1.6
Vulcan Materials Company	33,072	0.3
argenx SE	32,414	0.4
Mettler-Toledo International Inc.	32,030	5.1
CoStar Group, Inc.	30,917	3.7
CDW Corporation	30,228	1.8
Axon Enterprise, Inc.	30,200	0.5
Willis Towers Watson Public Limited Company	29,911	0.6
ANSYS, Inc.	27,844	2.1
Tradeweb Markets Inc.	26,998	0.9
X.AI Corp.	$25,001	0.9%
Rollins, Inc.	24,497	1.6
ICON Plc	23,794	1.2
The Cooper Companies, Inc.	21,975	1.9
West Pharmaceutical Services, Inc.	21,774	1.9
Booz Allen Hamilton Holding Corporation	21,027	0.7
TransUnion	20,343	1.8
VeriSign, Inc.	18,540	0.6
StubHub Holdings, Inc.	18,486^	1.1
SS&C Technologies Holdings, Inc.	18,213	0.8
FactSet Research Systems Inc.	17,493	2.5
IDEX Corporation	16,238	1.1
On Holding AG	15,986	1.2
Guidewire Software, Inc.	15,189	5.2
Aspen Technology, Inc.	15,107	0.6
Hyatt Hotels Corporation	15,019	1.7
Morningstar, Inc.	13,671	1.1
Floor & Decor Holdings, Inc.	13,307	0.6
Bio-Techne Corporation	12,682	2.3
Duolingo, Inc.	12,288	0.1
Dayforce, Inc.	9,684	2.0
Birkenstock Holding plc	9,258	0.4
Procore Technologies, Inc.	9,115	0.6
Vail Resorts, Inc.	6,533	2.1
Choice Hotels International, Inc.	6,152	1.5
		100.0%*

* Individual weights may not sum to displayed total due to rounding.
^ Estimate based upon available information.

Baron Growth Fund

Baron Growth Fund invests in small-sized growth companies with market capitalizations up to the largest market cap stock in the Russell 2000 Growth Index at reconstitution, or companies with market capitalizations up to $2.5 billion, whichever is larger.

Company	Equity Market Cap (in millions)	% of Total Investments
MSCI Inc.	$45,847	10.7%
Arch Capital Group Ltd.	42,073	13.2
IDEXX Laboratories, Inc.	41,583	2.7
Gartner, Inc.	39,051	9.5
Mettler-Toledo International Inc.	32,030	1.2
CoStar Group, Inc.	30,917	5.0
ANSYS, Inc.	27,844	3.7
Alexandria Real Estate Equities, Inc.	20,773	0.8
FactSet Research Systems Inc.	17,493	6.8
The Carlyle Group Inc.	15,346	0.9
Guidewire Software, Inc.	15,189	2.1
Gaming and Leisure Properties, Inc.	14,117	3.6
Morningstar, Inc.	13,671	3.9
Bio-Techne Corporation	12,682	2.5
Houlihan Lokey, Inc.	10,984	0.9
Kinsale Capital Group, Inc.	10,842	5.7
Primerica, Inc.	8,969	4.7
Altair Engineering Inc.	8,167	0.9
Bright Horizons Family Solutions, Inc.	$8,134	1.2%
Trex Company, Inc.	7,238	0.7
Clearwater Analytics Holdings, Inc.	6,565	0.1
Vail Resorts, Inc.	6,533	4.6
Choice Hotels International, Inc.	6,152	5.1
Red Rock Resorts, Inc.	5,749	1.4
Moelis & Company	5,128	0.3
Cohen & Steers, Inc.	4,850	2.1
Neogen Corp.	3,643	0.3
Iridium Communications Inc.	3,605	2.8
Douglas Emmett, Inc.	2,941	0.9
Northvolt AB	2,185^	0.1
Krispy Kreme, Inc.	1,822	0.6
FIGS, Inc.	1,169	1.1
Farmers Business Network, Inc.	500^	0.0
		100.0%*

* Individual weights may not sum to displayed total due to rounding.
^ Estimate based upon available information.

Baron Small Cap Fund

Baron Small Cap Fund invests 80% of its net assets in small-sized growth companies with market capitalizations up to the largest market cap stock in the Russell 2000 Growth Index at reconstitution, or companies with market capitalizations up to $2.5 billion, whichever is larger.

Company	Equity Market Cap (in millions)	% of Net Assets
TransDigm Group Incorporated	$80,078	3.2%
The Trade Desk	54,048	1.7
Waste Connections, Inc.	46,143	1.3
IDEXX Laboratories, Inc.	41,583	0.3
Gartner, Inc.	39,051	5.6
Vertiv Holdings Co	37,324	7.8
Mettler-Toledo International Inc.	32,030	1.0
DexCom, Inc.	26,865	0.8
SBA Communications Corp.	25,869	0.3
ICON Plc	23,794	4.4
Liberty Media Corporation-Liberty Formula One	19,085	1.7
DraftKings Inc.	19,033	0.8
Guidewire Software, Inc.	15,189	4.8
Aspen Technology, Inc.	15,107	1.8
Floor & Decor Holdings, Inc.	13,307	1.4
Houlihan Lokey, Inc.	10,984	1.7
Kinsale Capital Group, Inc.	10,842	4.6
Dayforce, Inc.	9,684	1.3
RBC Bearings Incorporated	8,751	1.8
WEX Inc.	8,617	1.1
Altair Engineering Inc.	8,167	0.8
Bright Horizons Family Solutions, Inc.	8,134	1.9
Americold Realty Trust	8,033	0.3
Trex Company, Inc.	7,238	0.8
HealthEquity, Inc.	7,148	1.4
Installed Building Products, Inc.	6,953	1.9
Cognex Corporation	6,946	1.3
Planet Fitness, Inc.	6,922	2.2
SiteOne Landscape Supply, Inc.	6,809	2.9
Clearwater Analytics Holdings, Inc.	$6,565	1.4%
Inspire Medical Systems, Inc.	6,294	0.9
The Baldwin Insurance Group, Inc.	5,884	3.3
Exponent, Inc.	5,848	0.7
Red Rock Resorts, Inc.	5,749	3.6
Chart Industries, Inc.	5,314	1.9
Madison Square Garden Sports Corp.	4,988	1.0
Liberty Media Corporation-Liberty Live	4,658	0.2
Avient Corporation	4,595	1.7
ASGN Incorporated	4,177	3.1
nCino Inc.	3,651	0.8
Neogen Corp.	3,643	1.9
Intapp, Inc.	3,573	2.0
Kratos Defense & Security Solutions, Inc.	3,518	1.2
John Bean Technologies Corporation	3,137	1.5
First Advantage Corporation	2,886	1.6
UTZ Brands, Inc.	2,511	1.3
Driven Brands Holdings Inc.	2,342	1.1
ODDITY Tech Ltd.	2,294	1.0
GCM Grosvenor Inc.	2,137	0.4
The Cheesecake Factory, Inc.	2,063	1.8
Ibotta, Inc.	1,888	1.0
Fox Factory Holding Corp.	1,730	0.5
Janus International Group, Inc.	1,469	1.3
Grid Dynamics Holdings, Inc.	1,073	0.9
Repay Holdings Corporation	798	0.7
indie Semiconductor, Inc.	790	0.4
Holley Inc.	353	0.2
		98.3%*

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

Baron Opportunity Fund

Baron Opportunity Fund invests in high growth businesses of any market capitalization selected for their capital appreciation potential.

Company	Equity Market Cap (in millions)	% of Net Assets
Apple Inc.	$3,542,564	4.7%
Microsoft Corporation	3,198,436	12.2
NVIDIA Corporation	2,978,923	11.5
Amazon.com, Inc.	1,955,639	6.7
Meta Platforms, Inc.	1,448,343	5.2
Taiwan Semiconductor Manufacturing Company Limited	900,748	1.6
Tesla, Inc.	835,814	4.5
Broadcom Inc.	805,674	4.6
Visa Inc.	557,231	1.9
Mastercard Incorporated	456,211	1.9
ASML Holding N.V.	331,641	1.3
Advanced Micro Devices, Inc.	265,561	1.1
Space Exploration Technologies Corp.	210,235^	2.7
ServiceNow, Inc.	184,244	2.2
Intuitive Surgical, Inc.	174,575	1.7
Shopify Inc.	103,349	1.6
Cadence Design Systems, Inc.	74,213	0.6
Spotify Technology S.A.	74,004	2.6
CrowdStrike Holdings, Inc.	68,770	1.0
The Trade Desk	54,048	1.9
Monolithic Power Systems, Inc.	45,071	1.2
Atlassian Corporation Plc	41,457	1.0
Gartner, Inc.	39,051	2.6
Datadog, Inc.	$38,793	1.3%
argenx SE	32,414	2.6
CoStar Group, Inc.	30,917	2.6
Cloudflare, Inc.	27,695	1.0
HubSpot, Inc.	27,297	1.0
Samsara Inc.	26,772	1.3
Guidewire Software, Inc.	15,189	2.4
Duolingo, Inc.	12,288	1.2
Dayforce, Inc.	9,684	1.0
Legend Biotech Corporation	8,865	0.5
X Holding Corp.	8,502^	0.1
GM Cruise Holdings LLC	8,344^	0.1
GitLab Inc.	8,272	1.1
Viking Therapeutics, Inc.	7,015	1.5
Arcellx, Inc.	4,489	1.4
GDS Holdings Limited	3,966	0.8
PAR Technology Corporation	1,890	0.6
Rocket Pharmaceuticals, Inc.	1,680	0.9
indie Semiconductor, Inc.	790	1.2
Farmers Business Network, Inc.	500^	0.2
		99.1%*

* Individual weights may not sum to displayed total due to rounding.
^ Estimate based upon available information.

Baron Partners Fund

Baron Partners Fund is a non-diversified fund that invests primarily in U.S. companies of any size with significant growth potential.

Company	Equity Market Cap (in millions)	% of Total Investments
Tesla, Inc.	$835,814	33.4%
Space Exploration Technologies Corp.	210,235^	11.1
The Charles Schwab Corporation	118,559	3.8
Spotify Technology S.A.	74,004	1.1
MSCI Inc.	45,847	2.0
Arch Capital Group Ltd.	42,073	9.6
IDEXX Laboratories, Inc.	41,583	4.5
Gartner, Inc.	39,051	4.6
HEICO Corporation	31,387	0.8
CoStar Group, Inc.	30,917	7.3
StubHub Holdings, Inc.	18,486^	0.7
FactSet Research Systems Inc.	17,493	4.2
Guidewire Software, Inc.	$15,189	2.2%
Hyatt Hotels Corporation	15,019	6.8
Gaming and Leisure Properties, Inc.	14,117	1.2
Birkenstock Holding plc	9,258	1.1
X Holding Corp.	8,502^	0.2
Vail Resorts, Inc.	6,533	3.4
Red Rock Resorts, Inc.	5,749	1.4
Iridium Communications Inc.	3,605	0.7
Northvolt AB	2,185^	0.0
		100.0%*

* Individual weights may not sum to displayed total due to rounding.
^ Estimate based upon available information.

Baron Fifth Avenue Growth Fund

Baron Fifth Avenue Growth Fund invests in large-sized growth companies with market capitalizations no smaller than the top 85th percentile by total market capitalization of the Russell 1000 Growth Index at June 30, or companies with market capitalizations above $10 billion, whichever is smaller.

Company	Equity Market Cap (in millions)	% of Net Assets
Microsoft Corporation	$3,198,436	4.6%
NVIDIA Corporation	2,978,923	10.7
Alphabet Inc.	2,049,678	2.2
Amazon.com, Inc.	1,955,639	8.4
Meta Platforms, Inc.	1,448,343	8.2
Taiwan Semiconductor Manufacturing Company Limited	900,748	2.3
Tesla, Inc.	835,814	3.3
Mastercard Incorporated	456,211	2.5
ASML Holding N.V.	331,641	2.6
Space Exploration Technologies Corp.	210,235^	0.9
ServiceNow, Inc.	184,244	5.1
Intuitive Surgical, Inc.	174,575	5.8
KKR & Co. Inc.	115,882	2.0
MercadoLibre, Inc.	104,029	4.5
Shopify Inc.	103,349	5.9
CrowdStrike Holdings, Inc.	68,770	1.6
The Trade Desk	54,048	4.5
Adyen N.V.	$48,541	2.0%
Coupang, Inc.	44,035	2.6
Atlassian Corporation Plc	41,457	0.9
Block, Inc.	41,328	2.0
Datadog, Inc.	38,793	2.7
Snowflake Inc.	38,501	2.1
Veeva Systems Inc.	33,985	1.3
argenx SE	32,414	2.8
Cloudflare, Inc.	27,695	2.1
Samsara Inc.	26,772	2.0
Illumina, Inc.	20,774	1.0
GM Cruise Holdings LLC	8,344^	0.2
GitLab Inc.	8,272	0.4
Grail, Inc.	427	0.0
		97.2%*

* Individual weights may not sum to displayed total due to rounding.
^ Estimate based upon available information.

Baron Focused Growth Fund

Baron Focused Growth Fund is a non-diversified fund that invests in small and mid-sized growth companies with market capitalizations up to the largest market cap stock in the Russell Midcap Growth Index at reconstitution.

Company	Equity Market Cap (in millions)	% of Net Assets
Tesla, Inc.	$835,814	9.8%
Space Exploration Technologies Corp.	210,235^	8.8
Shopify Inc.	103,349	3.3
Airbnb, Inc.	81,364	1.0
Spotify Technology S.A.	74,004	5.9
Interactive Brokers Group, Inc.	59,290	4.6
MSCI Inc.	45,847	3.2
Arch Capital Group Ltd.	42,073	6.1
IDEXX Laboratories, Inc.	41,583	1.0
Verisk Analytics, Inc.	38,164	2.6
Las Vegas Sands Corporation	37,072	1.3
CoStar Group, Inc.	30,917	3.2
ANSYS, Inc.	27,844	1.8
X.AI Corp.	25,001^	1.2
Illumina, Inc.	20,774	2.1
FactSet Research Systems Inc.	17,493	3.5
On Holding AG	$15,986	4.7%
Guidewire Software, Inc.	15,189	5.9
Hyatt Hotels Corporation	15,019	4.6
American Homes 4 Rent	14,070	0.5
Jefferies Financial Group Inc.	12,648	0.9
Birkenstock Holding plc	9,258	2.0
Vail Resorts, Inc.	6,533	4.2
Choice Hotels International, Inc.	6,152	3.2
Red Rock Resorts, Inc.	5,749	3.6
Iridium Communications Inc.	3,605	1.4
Douglas Emmett, Inc.	2,941	1.6
Krispy Kreme, Inc.	1,822	2.5
FIGS, Inc.	1,169	3.3
		97.9%*

* Individual weights may not sum to displayed total due to rounding.
^ Estimate based upon available information.

Baron International Growth Fund

Baron International Growth Fund is a diversified fund that invests in non-U.S companies with significant growth potential. Investments may be made across all market capitalizations. The Fund invests principally in companies of developed countries and may invest up to 35% in companies of developing countries.

Company	Equity Market Cap (in millions)	% of Net Assets
Taiwan Semiconductor Manufacturing Company Limited	$900,748	3.2%
Novo Nordisk A/S	531,648	1.2
Tencent Holdings Limited	517,592	1.2
LVMH Moet Hennessy Louis Vuitton SE	383,310	0.8
Samsung Electronics Co., Ltd.	280,754	0.5
Nestle S.A.	263,006	0.9
Alibaba Group Holding Limited	254,670	0.9
AstraZeneca PLC	241,566	2.2
Reliance Industries Limited	238,443	1.2
Linde plc	226,645	3.0
Industria de Diseno Textil, S.A.	184,359	2.1
Contemporary Amperex Technology Co., Limited	158,053	0.6
Meituan	134,573	0.9
Mitsubishi UFJ Financial Group, Inc.	125,598	0.9
Bharti Airtel Limited	122,273	1.6
Keyence Corporation	117,522	1.4
Prosus N.V.	108,756	0.6
Recruit Holdings Co., Ltd.	102,681	1.4
SK hynix Inc.	97,201	0.3
Compagnie Financiere Richemont SA	93,485	0.9
Sumitomo Mitsui Financial Group, Inc.	85,440	1.4
Tokyo Electron Limited	83,790	0.9
BNP Paribas S.A.	77,477	1.7
Constellation Software Inc.	68,944	2.7
Nu Holdings Ltd.	65,370	0.4
JD.com, Inc.	64,807	0.2
Shenzhen Mindray Bio-Medical Electronics Co., Ltd.	50,633	0.4
Experian plc	48,315	2.1
Universal Music Group N.V.	47,852	1.5
Coupang, Inc.	44,035	1.0
Agilent Technologies, Inc.	42,662	1.8
EQT AB	42,497	0.6
Arch Capital Group Ltd.	42,073	2.7
Agnico Eagle Mines Limited	40,406	1.2
Pernod Ricard SA	38,238	0.8
DSM-Firmenich AG	36,568	2.3
argenx SE	32,414	2.6
Trent Limited	32,132	2.0
WiseTech Global Limited	31,925	0.3
Sberbank of Russia PJSC	30,703†	0.0
Techtronic Industries Co. Ltd.	27,840	0.9
Jio Financial Services Limited	26,580	0.6
Epiroc AB	25,188	1.7
InterGlobe Aviation Limited	22,067	0.6
LY Corporation	20,832	0.7
Fuyao Glass Industry Group Co., Ltd.	$20,696	0.7%
Tencent Music Entertainment Group	20,679	0.4
Ajinomoto Co., Inc.	20,073	1.5
Symrise AG	19,316	2.3
Godrej Consumer Products Limited	17,008	0.8
Genmab A/S	16,134	0.5
Credicorp Ltd.	14,394	0.9
Japan Exchange Group, Inc.	13,994	0.5
Suzano S.A.	13,032	0.5
HD Hyundai Heavy Industries Co., Ltd.	12,532	0.9
Indus Towers Limited	12,358	0.4
CyberArk Software Ltd.	12,339	1.2
Eurofins Scientific SE	12,223	1.5
Max Healthcare Institute Limited	11,435	0.6
Bank of Ireland Group plc	11,236	1.4
Godrej Properties Limited	10,488	0.6
BE Semiconductor Industries N.V.	10,205	0.3
HD Korea Shipbuilding & Offshore Engineering Co., Ltd.	10,158	2.0
China Mengniu Dairy Co. Ltd.	9,466	0.7
InPost S.A.	9,428	2.4
Full Truck Alliance Co. Ltd.	9,422	1.3
Wix.com Ltd.	9,165	1.4
Dino Polska S.A.	8,933	1.0
Localiza Rent a Car S.A.	8,234	0.6
eMemory Technology Inc.	6,204	0.5
Stevanato Group S.p.A	6,057	0.7
B&M European Value Retail S.A.	5,572	0.5
Lynas Rare Earths Limited	5,105	0.9
Nippon Life India Asset Management Limited	4,923	0.6
Kingdee International Software Group Company Limited	4,151	0.5
Kaynes Technology India Limited	4,144	0.8
Japan Airport Terminal Co., Ltd.	3,343	0.4
Zai Lab Limited	2,405	0.7
ODDITY Tech Ltd.	2,294	1.4
JM Financial Limited	1,718	0.6
Afya Limited	1,634	0.6
Endava plc	1,508	0.5
SMS Co., Ltd.	1,308	1.0
Befesa S.A.	1,152	0.6
Park Systems Corporation	1,031	0.9
eDreams ODIGEO SA	967	2.3
ISC Co., Ltd	939	0.3
AMG Critical Materials N.V.	619	0.9
Waga Energy SA	421	1.3
		97.3%*

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

Baron Real Estate Fund

Baron Real Estate Fund is a diversified fund that invests 80% of its net assets in equity securities of U.S. and non-U.S. real estate and real estate-related companies of any size. The Fund's investment in non-U.S. companies will not exceed 25%.

Company	Equity Market Cap (in millions)	% of Net Assets
Blackstone Inc.	$187,034	4.4%
Lowe's Companies, Inc.	153,652	3.4
Prologis, Inc.	116,924	1.7
American Tower Corporation	108,625	1.7
Brookfield Corporation	87,334	3.6
Equinix, Inc.	84,276	6.4
Welltower Inc.	77,989	3.7
D.R. Horton, Inc.	62,199	5.6
Hilton Worldwide Holdings Inc.	56,802	2.7
Digital Realty Trust, Inc.	54,051	3.6
Lennar Corporation	51,004	5.9
CBRE Group, Inc.	38,145	4.1
Las Vegas Sands Corporation	37,072	2.7
Iron Mountain Incorporated	34,857	0.6
Vulcan Materials Company	33,072	2.7
Martin Marietta Materials, Inc.	32,896	0.2
AvalonBay Communities, Inc.	32,034	1.4
CoStar Group, Inc.	30,917	2.1
Equity Residential	28,231	1.9
Builders FirstSource, Inc.	22,576	1.7
Invitation Homes, Inc.	$21,600	1.3%
Brookfield Asset Management Ltd.	20,993	2.1
Lineage, Inc.	17,846	0.7
Toll Brothers, Inc.	15,599	6.1
Hyatt Hotels Corporation	15,019	2.5
Floor & Decor Holdings, Inc.	13,307	0.5
Jones Lang LaSalle Incorporated	12,806	3.9
MGM Resorts International	11,874	1.8
Fortune Brands Innovations, Inc.	11,111	0.4
Rexford Industrial Realty, Inc.	11,043	1.3
Caesars Entertainment, Inc.	9,030	2.8
Louisiana-Pacific Corporation	7,552	2.5
Vornado Realty Trust	7,506	2.7
Installed Building Products, Inc.	6,953	1.3
SiteOne Landscape Supply, Inc.	6,809	2.6
Red Rock Resorts, Inc.	5,749	1.5
GDS Holdings Limited	3,966	3.8
The Macerich Company	3,940	0.9
		99.0%*

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

Baron Emerging Markets Fund

Baron Emerging Markets Fund is a diversified fund that invests 80% of its net assets in non-U.S. companies of all sizes domiciled, headquartered or whose primary business activities or principal trading markets are in developing countries. The Fund may invest up to 20% in companies in developed market countries and in Frontier Countries.

Company	Equity Market Cap (in millions)	% of Total Investments
Taiwan Semiconductor Manufacturing Company Limited	$900,748	9.1%
Tencent Holdings Limited	517,592	4.3
Kweichow Moutai Co., Ltd.	312,971	0.8
Samsung Electronics Co., Ltd.	280,754	2.2
Alibaba Group Holding Limited	254,670	2.8
Reliance Industries Limited	238,443	1.8
PDD Holdings Inc.	187,220	0.3
Contemporary Amperex Technology Co., Limited	158,053	1.5
HDFC Bank Limited	157,673	0.5
Meituan	134,573	2.0
Bharti Airtel Limited	122,273	2.5
SK hynix Inc.	97,201	0.8
Midea Group Co., Ltd	82,002	0.9
Nu Holdings Ltd.	65,370	0.9
JD.com, Inc.	64,807	0.6
Bajaj Finance Limited	56,898	1.0
Samsung Biologics Co., Ltd.	53,175	0.5
Wal-Mart de Mexico, S.A.B. de C.V.	52,428	0.7
Shenzhen Mindray Bio-Medical Electronics Co., Ltd.	50,633	0.6
PT Bank Rakyat Indonesia (Persero) Tbk	49,552	1.1
Mahindra & Mahindra Limited	45,925	1.0
Naspers Limited	44,146	0.5
Coupang, Inc.	44,035	1.8
Grupo Mexico, S.A.B. de C.V.	43,401	1.0
WEG S.A.	41,906	0.7
Titan Company Limited	40,511	0.7
Power Grid Corporation of India Limited	39,161	1.3
Trent Limited	32,132	2.3
NARI Technology Co. Ltd.	31,680	1.1
Delta Electronics, Inc.	31,231	1.5
Sberbank of Russia PJSC	30,703†	0.0
Techtronic Industries Co. Ltd.	27,840	1.1
Jio Financial Services Limited	26,580	0.9
KB Financial Group Inc.	24,345	1.0
Banco BTG Pactual S.A.	23,423	0.4
InterGlobe Aviation Limited	22,067	1.0
SBI Life Insurance Company Limited	22,047	1.3
Galaxy Entertainment Group Limited	21,970	0.3
Fuyao Glass Industry Group Co., Ltd.	20,696	1.0
Tencent Music Entertainment Group	20,679	0.7
Samsung SDI Co., Ltd.	19,903	0.5
Swiggy Private Ltd	18,543^	3.2
Yum China Holdings Inc.	18,085	0.7
Budweiser Brewing Company APAC Limited	17,820	0.5
Godrej Consumer Products Limited	17,008	1.3
Cholamandalam Investment and Finance Company Limited	16,126	0.3
BDO Unibank, Inc.	14,865	1.2
Credicorp Ltd.	$14,394	1.3%
Tata Consumer Products Limited	14,298	0.8
Gold Fields Limited	13,739	0.9
Shenzhou International Group Holdings Ltd.	13,642	1.1
Suzano S.A.	13,032	1.1
Cummins India Limited	12,590	0.4
HD Hyundai Heavy Industries Co., Ltd.	12,532	1.2
Indus Towers Limited	12,358	1.7
Jiangsu Hengli Hydraulic Co., Ltd.	12,040	0.8
Max Healthcare Institute Limited	11,435	0.7
E Ink Holdings Inc.	10,600	0.6
Godrej Properties Limited	10,488	1.0
HD Korea Shipbuilding & Offshore Engineering Co., Ltd.	10,158	2.6
XP Inc.	9,634	0.6
Ayala Land, Inc.	9,618	0.6
China Mengniu Dairy Co. Ltd.	9,466	1.3
InPost S.A.	9,428	2.1
Full Truck Alliance Co. Ltd.	9,422	1.7
Dino Polska S.A.	8,933	0.7
SRF Limited	8,836	0.4
Localiza Rent a Car S.A.	8,234	1.2
Kanzhun Limited	7,759	0.7
Tata Communications Limited	7,260	1.0
eMemory Technology Inc.	6,204	0.6
ASPEED Technology Inc.	5,145	0.5
Kingsoft Corporation Ltd.	5,079	0.3
Chroma ATE Inc.	5,020	0.4
Nippon Life India Asset Management Limited	4,923	1.0
Hyundai Rotem Company	4,474	0.3
Kingdee International Software Group Company Limited	4,151	1.0
Kaynes Technology India Limited	4,144	1.0
Korea Aerospace Industries, Ltd.	3,884	0.8
Inter & Co Inc.	2,942	0.4
Pine Labs Pte. Ltd.	3,756^	1.2
Nuvama Wealth Management Limited	2,881	0.6
Aarti Industries Limited	2,522	0.5
Zai Lab Limited	2,405	0.8
HPSP Co., Ltd	1,972	0.3
JM Financial Limited	1,718	1.3
Afya Limited	1,634	0.5
Park Systems Corporation	1,031	0.5
ISC Co., Ltd	939	0.6
Codere Online Luxembourg, S.A.	362	0.5
DCW Limited	332	0.2
Think & Learn Private Limited	23^	0.0
		100.0%*

* Individual weights may not sum to displayed total due to rounding.
^ Estimates based upon available information
† Factset source.

Baron Global Advantage Fund

Baron Global Advantage Fund is a diversified fund that invests primarily in established and emerging markets companies located throughout the world with capitalization within the range of companies included in the MSCI ACWI Index.

Company	Equity Market Cap (in millions)	% of Net Assets
NVIDIA Corporation	$2,978,923	9.0%
Taiwan Semiconductor Manufacturing Company Limited	900,748	1.0
Tesla, Inc.	835,814	1.0
ASML Holding N.V.	331,641	3.5
Space Exploration Technologies Corp.	210,235^	6.5
PDD Holdings Inc.	187,220	1.0
MercadoLibre, Inc.	104,029	9.7
Shopify Inc.	103,349	8.7
CrowdStrike Holdings, Inc.	68,770	1.4
Bajaj Finance Limited	56,898	3.3
Adyen N.V.	48,541	2.5
Coupang, Inc.	44,035	7.0
Block, Inc.	41,328	2.1
Datadog, Inc.	38,793	3.4
Snowflake Inc.	38,501	2.5
argenx SE	32,414	4.7
Zomato Limited	28,811	3.8
Cloudflare, Inc.	27,695	5.1
Zscaler, Inc.	26,067	2.2
Illumina, Inc.	$20,774	1.2%
InPost S.A.	9,428	2.5
Wix.com Ltd.	9,165	2.9
Globant S.A.	8,579	2.3
GM Cruise Holdings LLC	8,344^	0.6
Viking Therapeutics, Inc.	7,015	0.8
BILL Holdings, Inc.	5,629	1.3
GDS Holdings Limited	3,966	1.4
Afya Limited	1,634	1.7
Endava plc	1,508	2.5
Taboola.com Ltd.	1,128	0.0
Fiverr International Ltd.	913	1.5
indie Semiconductor, Inc.	790	0.7
Farmers Business Network, Inc.	500^	0.1
Grail, Inc.	427	0.0
Codere Online Luxembourg, S.A.	362	1.8
Innovid Corp.	264	0.0
Think & Learn Private Limited	23^	0.0
		99.8%*

* Individual weights may not sum to displayed total due to rounding.
^ Estimate based upon available information.

Baron Discovery Fund

Baron Discovery Fund invests in small-sized growth companies with market capitalizations up to the largest market cap stock in the Russell 2000 Growth Index at reconstitution, or companies with market capitalizations up to $2.5 billion, whichever is larger.

Company	Equity Market Cap (in millions)	% of Net Assets
Axon Enterprise, Inc.	$30,200	3.8%
Liberty Media Corporation-Liberty Formula One	19,085	0.9
DraftKings Inc.	19,033	3.2
On Holding AG	15,986	1.2
Dynatrace, Inc.	15,929	1.5
Guidewire Software, Inc.	15,189	2.9
Floor & Decor Holdings, Inc.	13,307	2.5
Exact Sciences Corporation	12,587	2.2
CyberArk Software Ltd.	12,339	3.1
Texas Roadhouse, Inc.	11,775	2.3
Rexford Industrial Realty, Inc.	11,043	2.2
Reddit, Inc.	10,935	0.6
Kinsale Capital Group, Inc.	10,842	2.3
Dayforce, Inc.	9,684	2.2
Procore Technologies, Inc.	9,115	1.3
RBC Bearings Incorporated	8,751	1.1
AAON, Inc.	8,737	1.1
Tempus AI, Inc.	8,734	0.8
Repligen Corporation	8,335	1.2
GitLab Inc.	8,272	2.3
SentinelOne, Inc.	7,588	2.5
Trex Company, Inc.	7,238	0.9
Masimo Corporation	7,129	2.3
SiteOne Landscape Supply, Inc.	6,809	2.5
Loar Holdings Inc.	6,691	0.3
Clearwater Analytics Holdings, Inc.	6,565	2.5
Novanta Inc.	6,424	0.9
Varonis Systems, Inc.	6,338	2.3
Inspire Medical Systems, Inc.	$6,294	1.5%
RH	6,181	0.7
Nova Ltd.	6,061	1.4
Stevanato Group S.p.A	6,057	1.6
Red Rock Resorts, Inc.	5,749	1.4
Chart Industries, Inc.	5,314	2.1
Liberty Media Corporation-Liberty Live	4,658	2.4
Integer Holdings Corporation	4,359	1.4
ASGN Incorporated	4,177	1.7
SiTime Corporation	3,967	1.2
Advanced Energy Industries, Inc.	3,965	2.8
Intapp, Inc.	3,573	2.0
Kratos Defense & Security Solutions, Inc.	3,518	3.0
ACV Auctions Inc.	3,387	0.2
Alkami Technology Inc.	3,122	1.3
Veracyte, Inc.	2,615	2.0
Inari Medical, Inc.	2,403	2.1
Enerpac Tool Group Corp.	2,275	1.0
Mercury Systems, Inc.	2,202	2.3
Maravai LifeSciences Holdings, Inc.	2,166	0.9
PAR Technology Corporation	1,890	2.6
Ibotta, Inc.	1,888	0.6
CareDx, Inc.	1,647	3.0
TWFG, Inc.	1,518	1.2
Establishment Labs Holdings Inc.	1,209	1.1
Montrose Environmental Group, Inc.	900	1.6
Couchbase, Inc.	827	1.1
indie Semiconductor, Inc.	790	1.1
		98.1%*

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

Baron Durable Advantage Fund

Baron Durable Advantage Fund invests primarily in large-sized companies with market capitalizations no smaller than the top 90th percentile by market capitalization of the S&P 500 Index at June 30, or companies with market capitalizations above $10 billion, whichever is smaller.

Company	Equity Market Cap (in millions)	% of Net Assets
Microsoft Corporation	$3,198,436	8.0%
NVIDIA Corporation	2,978,923	4.6
Alphabet Inc.	2,049,678	3.9
Amazon.com, Inc.	1,955,639	6.4
Meta Platforms, Inc.	1,448,343	6.9
Taiwan Semiconductor Manufacturing Company Limited	900,748	4.1
Broadcom Inc.	805,674	3.9
Visa Inc.	557,231	3.3
UnitedHealth Group Incorporated	539,904	2.7
Mastercard Incorporated	456,211	2.5
Costco Wholesale Corporation	393,025	1.4
Thermo Fisher Scientific Inc.	236,291	2.8
Adobe Inc.	227,927	2.1
Accenture plc	221,662	1.8
Danaher Corporation	200,790	2.5
Texas Instruments Incorporated	188,608	1.4
Blackstone Inc.	187,034	3.1
Intuit Inc.	$174,061	2.0%
S&P Global Inc.	165,422	4.2
Brookfield Corporation	87,334	2.9
Moody's Corporation	86,423	3.4
TransDigm Group Incorporated	80,078	1.8
CME Group, Inc.	79,455	1.0
Apollo Global Management, Inc.	71,141	3.1
MSCI Inc.	45,847	2.2
Monolithic Power Systems, Inc.	45,071	1.7
Agilent Technologies, Inc.	42,662	1.1
Arch Capital Group Ltd.	42,073	2.1
Mettler-Toledo International Inc.	32,030	1.6
HEICO Corporation	31,387	2.7
CoStar Group, Inc.	30,917	1.9
Booz Allen Hamilton Holding Corporation	21,027	1.2
Lineage, Inc.	17,846	0.5
LPL Financial Holdings Inc.	17,392	1.6
		96.7%*

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

Baron Real Estate Income Fund

Baron Real Estate Income Fund is a non-diversified fund that under normal circumstances, invests at least 80% of its net assets in real estate income-producing securities and other real estate securities of any market capitalization, including common stocks and equity securities, debt and preferred securities, non-U.S. real estate income-producing securities, and any other real estate-related yield securities.

Company	Equity Market Cap (in millions)	% of Net Assets
Blackstone Inc.	$187,034	2.5%
Lowe's Companies, Inc.	153,652	1.5
Prologis, Inc.	116,924	3.6
American Tower Corporation	108,625	3.1
Brookfield Corporation	87,334	2.7
Equinix, Inc.	84,276	9.6
Welltower Inc.	77,989	8.5
Hilton Worldwide Holdings Inc.	56,802	1.3
Simon Property Group, Inc.	55,108	1.6
Digital Realty Trust, Inc.	54,051	5.2
Lennar Corporation	51,004	1.7
Iron Mountain Incorporated	34,857	1.8
AvalonBay Communities, Inc.	32,034	3.1
Equity Residential	28,231	3.5
Ventas, Inc.	26,496	4.6
Invitation Homes, Inc.	21,600	1.5
Brookfield Asset Management Ltd.	20,993	1.9
Lineage, Inc.	$17,846	1.1%
Healthpeak Properties, Inc.	15,993	2.5
SEGRO plc	15,808	1.4
Toll Brothers, Inc.	15,599	1.7
American Homes 4 Rent	14,070	2.9
Rexford Industrial Realty, Inc.	11,043	2.2
Federal Realty Investment Trust	9,620	0.8
Brixmor Property Group Inc.	8,396	2.6
Agree Realty Corporation	7,580	2.6
Vornado Realty Trust	7,506	5.7
First Industrial Realty Trust, Inc.	7,408	1.9
Ryman Hospitality Properties, Inc.	6,424	1.7
Independence Realty Trust, Inc.	4,615	1.8
GDS Holdings Limited	3,966	5.0
The Macerich Company	3,940	4.3
Park Hotels & Resorts Inc.	2,946	2.5
		98.4%*

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

Baron Health Care Fund

Baron Health Care Fund is a non-diversified fund that under normal circumstances, invests at least 80% of its net assets in equity securities in the form of common stock of companies engaged in the research, development, production, sale, delivery or distribution of products and services related to the health care industry.

Company	Equity Market Cap (in millions)	% of Net Assets
Eli Lilly and Company	$842,020	8.6%
UnitedHealth Group Incorporated	539,904	8.6
Merck & Co., Inc.	287,853	2.5
AstraZeneca PLC	241,566	1.1
Thermo Fisher Scientific Inc.	236,291	5.2
Danaher Corporation	200,790	3.5
Intuitive Surgical, Inc.	174,575	6.2
Stryker Corporation	137,667	3.3
Boston Scientific Corporation	123,406	5.6
Elevance Health, Inc.	120,581	2.5
Vertex Pharmaceuticals Incorporated	120,038	4.5
Regeneron Pharmaceuticals, Inc.	115,883	2.0
HCA Healthcare, Inc.	104,889	3.1
Zoetis Inc.	88,517	1.4
IDEXX Laboratories, Inc.	41,583	1.5
argenx SE	32,414	5.4
Mettler-Toledo International Inc.	32,030	1.4
BioNTech SE	28,235	0.5
DexCom, Inc.	26,865	0.4
ICON Plc	23,794	2.8
The Cooper Companies, Inc.	21,975	3.2
West Pharmaceutical Services, Inc.	$21,774	0.9%
Tenet Healthcare Corporation	15,926	1.7
Natera, Inc.	15,701	1.9
Vaxcyte, Inc.	14,017	1.5
Bio-Techne Corporation	12,682	1.1
Insmed Incorporated	12,545	1.2
Legend Biotech Corporation	8,865	0.7
Glaukos Corporation	7,143	1.1
Viking Therapeutics, Inc.	7,015	0.7
Inspire Medical Systems, Inc.	6,294	1.1
RadNet, Inc.	5,132	1.0
Ultragenyx Pharmaceutical Inc.	5,120	1.1
Biohaven Ltd.	4,724	0.9
Arcellx, Inc.	4,489	3.9
Immunovant, Inc.	4,173	0.4
Surgery Partners, Inc.	4,099	0.5
Kymera Therapeutics, Inc.	3,048	0.5
Xenon Pharmaceuticals Inc.	2,983	1.7
Rocket Pharmaceuticals, Inc.	1,680	1.2
		96.3%*

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

Baron FinTech Fund

Baron FinTech Fund is a non-diversified fund that, under normal circumstances, invests at least 80% of its net assets in securities of companies that develop, use, or rely on innovative technologies or services, in a significant way, for banking, lending, capital markets, financial data analytics, insurance, payments, asset management, or wealth management. The Fund may purchase securities of companies of any market capitalization and may invest in foreign stocks, including emerging market securities.

Company	Equity Market Cap (in millions)	% of Net Assets
Visa Inc.	$557,231	4.1%
Mastercard Incorporated	456,211	4.5
Accenture plc	221,662	0.9
Intuit Inc.	174,061	4.1
S&P Global Inc.	165,422	5.0
The Progressive Corporation	148,619	4.4
BlackRock Inc.	141,567	1.7
The Charles Schwab Corporation	118,559	1.2
KKR & Co. Inc.	115,882	3.3
MercadoLibre, Inc.	104,029	4.2
Fiserv, Inc.	103,429	3.6
Shopify Inc.	103,349	1.4
Moody's Corporation	86,423	2.9
CME Group, Inc.	79,455	1.7
Apollo Global Management, Inc.	71,141	3.8
Nu Holdings Ltd.	65,370	2.7
Interactive Brokers Group, Inc.	59,290	2.1
Fair Isaac Corporation	47,652	4.1
MSCI Inc.	45,847	2.8
Arch Capital Group Ltd.	42,073	3.1
Block, Inc.	41,328	1.4
Verisk Analytics, Inc.	38,164	2.5
Equifax Inc.	36,361	1.3
CoStar Group, Inc.	30,917	1.0
Tradeweb Markets Inc.	26,998	3.4
Global Payments Inc.	$26,059	1.2%
TransUnion	20,343	1.6
FactSet Research Systems Inc.	17,493	2.1
LPL Financial Holdings Inc.	17,392	2.0
Guidewire Software, Inc.	15,189	3.7
Morningstar, Inc.	13,671	2.5
Jack Henry & Associates, Inc.	12,873	1.6
Houlihan Lokey, Inc.	10,984	2.5
Kinsale Capital Group, Inc.	10,842	1.1
Wise Plc	9,202	1.7
Primerica, Inc.	8,969	0.8
WEX Inc.	8,617	1.1
Globant S.A.	8,579	0.9
Clearwater Analytics Holdings, Inc.	6,565	0.8
The Baldwin Insurance Group, Inc.	5,884	0.7
BILL Holdings, Inc.	5,629	0.3
Intapp, Inc.	3,573	1.1
Alkami Technology Inc.	3,122	0.6
TWFG, Inc.	1,518	0.6
Endava plc	1,508	0.3
CI&T, Inc.	913	0.3
Repay Holdings Corporation	798	0.1
		98.6%*

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

Baron India Fund

Baron India Fund is a diversified fund that invests primarily in companies in India. Under normal market conditions, the Fund will invest at least 80% of its net assets in the common stock of companies located in India.

Company	Equity Market Cap (in millions)	% of Net Assets
Reliance Industries Limited	$238,443	5.9%
Tata Consultancy Services Limited	184,291	4.3
HDFC Bank Limited	157,673	4.8
Bharti Airtel Limited	122,273	8.6
ICICI Bank Limited	107,029	4.7
Bajaj Finance Limited	56,898	2.4
Mahindra & Mahindra Limited	45,925	2.1
Titan Company Limited	40,511	0.7
Avenue Supermarts Limited	39,574	0.9
Power Grid Corporation of India Limited	39,161	2.3
Trent Limited	32,132	7.4
Siemens Limited	30,810	1.0
Zomato Limited	28,811	3.8
Jio Financial Services Limited	26,580	2.4
Bharat Electronics Limited	24,869	1.4
InterGlobe Aviation Limited	22,067	1.4
SBI Life Insurance Company Limited	22,047	2.3
REC Limited	17,424	0.8
Godrej Consumer Products Limited	17,008	2.5
Cholamandalam Investment and Finance Company Limited	16,126	2.6
Tata Consumer Products Limited	14,298	1.9
Cummins India Limited	12,590	0.6
Indus Towers Limited	12,358	4.9
Max Healthcare Institute Limited	$11,435	1.8%
Godrej Properties Limited	10,488	1.2
Tube Investments of India Limited	10,008	0.7
Dixon Technologies Ltd.	9,856	0.7
SRF Limited	8,836	0.5
Tata Communications Limited	7,260	2.0
Thermax Limited	7,252	0.7
360 ONE WAM Limited	4,524	0.9
Kaynes Technology India Limited	4,144	2.9
Nuvama Wealth Management Limited	2,881	0.6
Aster DM Healthcare Limited	2,474	2.4
Kirloskar Oil Engines Limited	2,129	1.2
JM Financial Limited	1,718	3.4
GMR Power and Urban Infra Limited	1,362	1.7
Tips Industries Limited	1,060	1.2
Neogen Chemicals Limited	651	0.6
Shaily Engineering Plastics Limited	553	0.6
Precision Wires India Limited	414	1.0
DCW Limited	332	2.4
CSL Finance Ltd.	116	0.7
		96.8%*

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

Baron Technology Fund

Baron Technology Fund is a non-diversified fund that, under normal market conditions, invests at least 80% of its net assets in equity securities in the form of common stock of U.S. and non-U.S. technology companies of any market capitalization, selected for their durable growth potential from the development, advancement and use of technology.

Company	Equity Market Cap (in millions)	% of Net Assets
Apple Inc.	$3,542,564	7.5%
Microsoft Corporation	3,198,436	7.9
NVIDIA Corporation	2,978,923	10.3
Amazon.com, Inc.	1,955,639	8.6
Meta Platforms, Inc.	1,448,343	1.8
Taiwan Semiconductor Manufacturing Company Limited	900,748	3.9
Tesla, Inc.	835,814	3.3
Broadcom Inc.	805,674	5.3
ASML Holding N.V.	331,641	1.9
Advanced Micro Devices, Inc.	265,561	2.0
ServiceNow, Inc.	184,244	1.4
Intuit Inc.	174,061	1.7
Lam Research Corporation	105,773	1.7
Shopify Inc.	103,349	1.9
Cadence Design Systems, Inc.	74,213	1.5
Spotify Technology S.A.	74,004	4.9
CrowdStrike Holdings, Inc.	68,770	1.5
The Trade Desk	54,048	1.6
Monolithic Power Systems, Inc.	45,071	0.5
Quanta Services, Inc.	$43,926	1.0%
Gartner, Inc.	39,051	2.0
Datadog, Inc.	38,793	1.7
CoStar Group, Inc.	30,917	2.2
Axon Enterprise, Inc.	30,200	1.2
Cloudflare, Inc.	27,695	1.1
HubSpot, Inc.	27,297	0.5
Dynatrace, Inc.	15,929	1.0
Guidewire Software, Inc.	15,189	1.3
Duolingo, Inc.	12,288	3.2
Reddit, Inc.	10,935	2.0
GitLab Inc.	8,272	1.2
eMemory Technology Inc.	6,204	0.9
GDS Holdings Limited	3,966	2.3
PAR Technology Corporation	1,890	2.0
Ibotta, Inc.	1,888	0.7
Park Systems Corporation	1,031	0.9
eDreams ODIGEO SA	967	0.9
indie Semiconductor, Inc.	790	0.9
		96.1%*

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

Baron Asset Fund — PORTFOLIO OF INVESTMENTS

September 30, 2024

Shares		Cost	Value
Common Stocks (95.17%)			
Communication Services (2.11%)			
	Advertising (1.28%)		
519,000	The Trade Desk, Inc., Cl A[1]	$ 9,997,410	$ 56,908,350
	Movies & Entertainment (0.83%)		
100,000	Spotify Technology SA[1,2]	24,563,323	36,853,000
Total Communication Services		34,560,733	93,761,350
Consumer Discretionary (7.79%)			
	Education Services (0.15%)		
23,000	Duolingo, Inc.[1]	6,012,308	6,486,460
	Footwear (1.56%)		
351,069	Birkenstock Holding PLC[1,2]	16,149,174	17,304,191
1,037,000	On Holding AG, Cl A[1,2]	30,424,600	52,005,550
		46,573,774	69,309,741
	Home Improvement Retail (0.59%)		
211,000	Floor & Decor Holdings, Inc., Cl A[1]	18,452,772	26,199,870
	Hotels, Resorts & Cruise Lines (3.35%)		
503,442	Choice Hotels International, Inc.	2,156,126	65,598,493
31,000	Hilton Worldwide Holdings, Inc.	6,489,341	7,145,500
500,233	Hyatt Hotels Corp., Cl A	13,700,166	76,135,462
		22,345,633	148,879,455
	Leisure Facilities (2.14%)		
545,538	Vail Resorts, Inc.	10,547,752	95,081,818
Total Consumer Discretionary		103,932,239	345,957,344
Financials (13.04%)			
	Financial Exchanges & Data (5.13%)		
242,305	FactSet Research Systems, Inc.	12,874,793	111,423,954
156,000	Morningstar, Inc.	32,512,227	49,782,720
47,000	MSCI, Inc.	15,780,557	27,397,710
316,189	Tradeweb Markets, Inc., Cl A	12,240,920	39,103,094
		73,408,497	227,707,478
	Insurance Brokers (0.56%)		
84,421	Willis Towers Watson PLC[2]	10,305,610	24,864,517
	Investment Banking & Brokerage (2.23%)		
1,528,936	The Charles Schwab Corp.	1,345,169	99,090,342
	Property & Casualty Insurance (5.12%)		
2,031,444	Arch Capital Group Ltd.[1,2]	7,307,977	227,277,955
Total Financials		92,367,253	578,940,292
Health Care (20.25%)			
	Biotechnology (0.41%)		
33,366	argenx SE, ADR[1,2]	10,531,100	18,087,041
	Health Care Equipment (5.89%)		
517,630	IDEXX Laboratories, Inc.[1]	9,143,870	261,517,029
	Health Care Supplies (1.92%)		
773,672	The Cooper Companies, Inc.	30,234,022	85,366,969
	Health Care Technology (1.59%)		
337,386	Veeva Systems, Inc., Cl A[1]	18,697,510	70,807,200

Shares		Cost	Value
Common Stocks (continued)			
Health Care (continued)			
	Life Sciences Tools & Services (10.44%)		
1,259,944	Bio-Techne Corporation	$ 29,829,925	$ 100,707,324
184,000	ICON plc[1,2]	39,500,431	52,865,040
150,117	Mettler-Toledo International, Inc.[1]	8,726,998	225,130,465
282,404	West Pharmaceutical Services, Inc.	12,134,994	84,766,384
		90,192,348	463,469,213
Total Health Care		158,798,850	899,247,452
Industrials (15.67%)			
	Aerospace & Defense (0.51%)		
57,000	Axon Enterprise, Inc.[1]	11,338,430	22,777,200
	Construction & Engineering (1.91%)		
285,000	Quanta Services, Inc.	47,697,751	84,972,750
	Data Processing & Outsourced Services (0.76%)		
455,076	SS&C Technologies Holdings, Inc.	12,215,822	33,771,190
	Environmental & Facilities Services (1.60%)		
1,400,418	Rollins, Inc.	18,594,520	70,833,143
	Human Resource & Employment Services (2.01%)		
1,458,093	Dayforce, Inc.[1]	54,559,959	89,308,196
	Industrial Machinery & Supplies & Components (1.15%)		
237,760	IDEX Corp.	16,872,482	50,999,520
	Research & Consulting Services (7.73%)		
200,000	Booz Allen Hamilton Holding Corp.	22,670,902	32,552,000
780,500	TransUnion	32,628,417	81,718,350
854,206	Verisk Analytics, Inc.	20,867,029	228,893,040
		76,166,348	343,163,390
Total Industrials		237,445,312	695,825,389
Information Technology (29.54%)			
	Application Software (15.02%)		
296,250	ANSYS, Inc.[1]	7,861,150	94,394,138
106,026	Aspen Technology, Inc.[1]	19,312,636	25,321,129
83,000	Fair Isaac Corp.[1]	31,790,948	161,312,160
1,265,809	Guidewire Software, Inc.[1]	62,789,185	231,567,098
400,000	Procore Technologies, Inc.[1]	29,185,970	24,688,000
233,192	Roper Technologies, Inc.	19,417,681	129,757,357
		170,357,570	667,039,882
	Electronic Components (2.43%)		
1,658,000	Amphenol Corp., Cl A	39,080,301	108,035,280
	Internet Services & Infrastructure (0.58%)		
134,173	Verisign, Inc.[1]	6,008,927	25,487,503
	IT Consulting & Other Services (9.70%)		
850,323	Gartner, Inc.[1]	17,249,199	430,909,683
	Technology Distributors (1.81%)		
355,363	CDW Corp.	22,129,555	80,418,647
Total Information Technology		254,825,552	1,311,890,995

Baron Asset Fund — PORTFOLIO OF INVESTMENTS (Continued)

September 30, 2024

Shares		Cost	Value
Common Stocks (continued)			
Materials (0.25%)			
	Construction Materials (0.25%)		
45,000	Vulcan Materials Co.	$ 11,334,572	$ 11,269,350
Real Estate (6.52%)			
	Data Center REITs (0.97%)		
48,416	Equinix, Inc.	3,085,999	42,975,494
	Health Care REITs (0.40%)		
140,000	Welltower, Inc.	18,007,358	17,924,200
	Real Estate Services (5.15%)		
516,323	CBRE Group, Inc., Cl A[1]	5,774,214	64,271,887
2,181,930	CoStar Group, Inc.[1]	43,637,218	164,604,799
		49,411,432	228,876,686
Total Real Estate		70,504,789	289,776,380
TOTAL COMMON STOCKS		**963,769,300**	**4,226,668,552**
Private Common Stocks (1.51%)			
Communication Services (1.10%)			
	Movies & Entertainment (1.10%)		
197,613	StubHub Holdings, Inc., Cl A[1,3,4]	50,000,041	49,136,473
Industrials (0.41%)			
	Aerospace & Defense (0.41%)		
92,406	Space Exploration Technologies Corp., Cl A[1,3,4]	7,115,262	10,349,472
69,932	Space Exploration Technologies Corp., Cl C[1,3,4]	5,384,764	7,832,384
Total Industrials		12,500,026	18,181,856
TOTAL PRIVATE COMMON STOCKS		**62,500,067**	**67,318,329**
Private Preferred Stocks (3.33%)			
Industrials (2.43%)			
	Aerospace & Defense (2.43%)		
96,298	Space Exploration Technologies Corp., Series N[1,3,4]	26,000,461	107,853,760
Information Technology (0.90%)			
	Application Software (0.90%)		
3,341,687	X.AI Corp.[1,3,4]	39,999,993	39,999,993
TOTAL PRIVATE PREFERRED STOCKS		**66,000,454**	**147,853,753**

Principal Amount		Cost	Value
Short-Term Investments (0.03%)			
$1,156,211	Repurchase Agreement with Fixed Income Clearing Corp., dated 9/30/2024, 4.35% due 10/1/2024; Proceeds at maturity $1,156,351; (Fully Collateralized by $1,146,900 U.S. Treasury Note, 4.625% due 6/30/2026 Market value - $1,179,426)	**$ 1,156,211**	**$ 1,156,211**
TOTAL INVESTMENTS (100.04%)		**$1,093,426,032**	**4,442,996,845**
LIABILITIES LESS CASH AND OTHER ASSETS (-0.04%)			**(1,872,684)**
NET ASSETS			**$4,441,124,161**

% Represents percentage of net assets.
1 Non-income producing securities.
2 Foreign corporation.
3 At September 30, 2024, the market value of restricted securities amounted to $215,172,082 or 4.84% of net assets.
4 The Adviser has reclassified/classified certain securities in or out of this sub-industry. Such reclassifications/classifications are not supported by S&P or MSCI.
ADR American Depositary Receipt.

Baron Growth Fund — PORTFOLIO OF INVESTMENTS

September 30, 2024

Shares		Cost	Value
Common Stocks (100.20%)			
Communication Services (2.80%)			
	Alternative Carriers (2.80%)		
6,971,000	Iridium Communications, Inc.[4]	$ 38,885,185	$ 212,266,950
Consumer Discretionary (14.11%)			
	Apparel, Accessories & Luxury Goods (1.09%)		
12,078,670	Figs, Inc., Cl A[1]	85,940,564	82,618,103
	Casinos & Gaming (1.43%)		
1,998,635	Red Rock Resorts, Inc., Cl A	45,018,173	108,805,689
	Education Services (1.20%)		
650,000	Bright Horizons Family Solutions, Inc.[1]	20,464,054	91,084,500
	Hotels, Resorts & Cruise Lines (5.15%)		
3,000,000	Choice Hotels International, Inc.[4]	75,582,685	390,900,000
	Leisure Facilities (4.60%)		
2,000,000	Vail Resorts, Inc.[4]	56,102,209	348,580,000
	Restaurants (0.64%)		
4,540,000	Krispy Kreme, Inc.	65,918,556	48,759,600
Total Consumer Discretionary		349,026,241	1,070,747,892
Financials (49.34%)			
	Asset Management & Custody Banks (3.00%)		
1,575,000	The Carlyle Group, Inc.	32,097,167	67,819,500
1,665,000	Cohen & Steers, Inc.	34,367,632	159,756,750
		66,464,799	227,576,250
	Financial Exchanges & Data (21.51%)		
1,132,500	FactSet Research Systems, Inc.	56,473,743	520,780,125
925,000	Morningstar, Inc.	18,840,637	295,186,000
1,400,000	MSCI, Inc.	25,465,836	816,102,000
		100,780,216	1,632,068,125
	Investment Banking & Brokerage (1.25%)		
450,000	Houlihan Lokey, Inc.	19,625,873	71,109,000
350,000	Moelis & Co., Cl A	3,842,331	23,978,500
		23,468,204	95,087,500
	Life & Health Insurance (4.70%)		
1,345,000	Primerica, Inc.	27,723,327	356,626,750
	Property & Casualty Insurance (18.88%)		
8,950,000	Arch Capital Group Ltd.[1,2]	27,850,321	1,001,326,000
925,000	Kinsale Capital Group, Inc.	30,507,146	430,652,250
		58,357,467	1,431,978,250
Total Financials		276,794,013	3,743,336,875

Shares		Cost	Value
Common Stocks (continued)			
Health Care (6.63%)			
	Health Care Equipment (2.68%)		
402,500	IDEXX Laboratories, Inc.[1]	$ 5,591,246	$ 203,351,050
	Health Care Supplies (0.30%)		
1,342,434	Neogen Corp.[1]	17,026,471	22,566,316
	Life Sciences Tools & Services (3.65%)		
2,335,000	Bio-Techne Corporation	30,321,350	186,636,550
60,000	Mettler-Toledo International, Inc.[1]	2,742,937	89,982,000
		33,064,287	276,618,550
Total Health Care		55,682,004	502,535,916
Industrials (0.75%)			
	Building Products (0.75%)		
850,000	Trex Co., Inc.[1]	7,609,237	56,593,000
Information Technology (16.30%)			
	Application Software (6.78%)		
725,000	Altair Engineering, Inc., Cl A[1]	11,330,019	69,244,750
882,500	ANSYS, Inc.[1]	19,920,576	281,190,975
305,000	Clearwater Analytics Holdings, Inc., Cl A[1]	4,682,008	7,701,250
855,000	Guidewire Software, Inc.[1]	25,425,853	156,413,700
		61,358,456	514,550,675
	IT Consulting & Other Services (9.52%)		
1,425,000	Gartner, Inc.[1]	19,570,513	722,133,000
Total Information Technology		80,928,969	1,236,683,675
Real Estate (10.27%)			
	Health Care REITs (0.81%)		
520,000	Alexandria Real Estate Equities, Inc.	17,528,450	61,750,000
	Office REITs (0.93%)		
4,000,000	Douglas Emmett, Inc.	33,703,591	70,280,000
	Other Specialized REITs (3.56%)		
5,250,000	Gaming and Leisure Properties, Inc.	108,373,646	270,112,500
	Real Estate Services (4.97%)		
5,000,000	CoStar Group, Inc.[1]	20,857,754	377,200,000
Total Real Estate		180,463,441	779,342,500
TOTAL COMMON STOCKS		**989,389,090**	**7,601,506,808**
Private Common Stocks (0.01%)			
Materials (0.01%)			
	Fertilizers & Agricultural Chemicals (0.01%)		
422,278	Farmers Business Network, Inc.[1,3,5]	**16,300,002**	**785,437**

Baron Growth Fund — PORTFOLIO OF INVESTMENTS (Continued)

September 30, 2024

Shares		Cost	Value
Private Convertible Preferred Stocks (0.05%)			
Industrials (0.05%)			
	Electrical Components & Equipment (0.05%)		
59,407,006	Northvolt AB (Sweden)[1,2,3,5]	$ 9,374,988	$ 3,878,446
TOTAL INVESTMENTS (100.26%)		$1,015,064,080	7,606,170,691
LIABILITIES LESS CASH AND OTHER ASSETS (-0.26%)			(19,433,336)
NET ASSETS			$7,586,737,355

% Represents percentage of net assets.
1 Non-income producing securities.
2 Foreign corporation.
3 At September 30, 2024, the market value of restricted securities amounted to $4,663,883 or 0.06% of net assets.
4 An “Affiliated” investment may include any company in which the Fund owns 5% or more of its outstanding shares.
5 The Adviser has reclassified/classified certain securities in or out of this sub-industry. Such reclassifications/classifications are not supported by S&P or MSCI.

Baron Small Cap Fund — PORTFOLIO OF INVESTMENTS

September 30, 2024

Shares		Cost	Value
	Common Stocks (98.31%)		
	Communication Services (5.76%)		
	Advertising (2.77%)		
750,000	Ibotta, Inc., Cl A[1]	$ 55,619,500	$ 46,207,500
720,000	The Trade Desk, Inc., Cl A[1]	2,556,000	78,948,000
		58,175,500	125,155,500
	Movies & Entertainment (2.99%)		
1,000,000	Liberty Media Corp.-Liberty Formula One, Cl C[1]	15,681,001	77,430,000
207,610	Liberty Media Corporation-Liberty Live Cl C[1]	680,178	10,656,621
225,000	Madison Square Garden Sports Corp.[1]	8,416,557	46,858,500
		24,777,736	134,945,121
	Total Communication Services	82,953,236	260,100,621
	Consumer Discretionary (14.22%)		
	Automotive Parts & Equipment (0.65%)		
500,000	Fox Factory Holding Corp.[1]	28,924,258	20,750,000
3,000,000	Holley, Inc.[1]	20,431,597	8,850,000
		49,355,855	29,600,000
	Casinos & Gaming (4.38%)		
875,000	DraftKings, Inc., Cl A[1]	11,187,787	34,300,000
3,000,000	Red Rock Resorts, Inc., Cl A	86,392,310	163,320,000
		97,580,097	197,620,000
	Education Services (1.86%)		
600,000	Bright Horizons Family Solutions, Inc.[1]	18,347,897	84,078,000
	Home Improvement Retail (1.37%)		
500,000	Floor & Decor Holdings, Inc., Cl A[1]	16,546,389	62,085,000
	Homebuilding (1.91%)		
350,000	Installed Building Products, Inc.	13,854,997	86,194,500
	Leisure Facilities (2.25%)		
1,250,000	Planet Fitness, Inc., Cl A[1]	53,545,034	101,525,000
	Restaurants (1.80%)		
2,000,000	The Cheesecake Factory, Inc.	51,839,090	81,100,000
	Total Consumer Discretionary	301,069,359	642,202,500
	Consumer Staples (2.28%)		
	Packaged Foods & Meats (1.27%)		
3,250,000	UTZ Brands, Inc.	51,037,718	57,525,000
	Personal Care Products (1.01%)		
1,125,000	Oddity Tech Ltd., Cl A[1,2]	41,428,946	45,427,500
	Total Consumer Staples	92,466,664	102,952,500
	Financials (11.93%)		
	Asset Management & Custody Banks (0.44%)		
1,750,000	GCM Grosvenor, Inc., Cl A	18,962,533	19,810,000
	Insurance Brokers (3.31%)		
3,000,000	Baldwin Insurance Group, Inc. Cl A[1]	46,953,071	149,400,000

Shares		Cost	Value
	Common Stocks (continued)		
	Financials (continued)		
	Investment Banking & Brokerage (1.75%)		
500,000	Houlihan Lokey, Inc.	$ 23,001,811	$ 79,010,000
	Property & Casualty Insurance (4.64%)		
450,000	Kinsale Capital Group, Inc.	64,570,201	209,506,500
	Transaction & Payment Processing Services (1.79%)		
3,750,000	Repay Holdings Corporation[1]	32,041,410	30,600,000
240,000	WEX, Inc.[1]	9,902,294	50,335,200
		41,943,704	80,935,200
	Total Financials	195,431,320	538,661,700
	Health Care (10.55%)		
	Health Care Equipment (1.97%)		
540,000	DexCom, Inc.[1]	1,790,224	36,201,600
25,000	IDEXX Laboratories, Inc.[1]	344,777	12,630,500
190,000	Inspire Medical Systems, Inc.[1]	9,493,281	40,099,500
		11,628,282	88,931,600
	Health Care Supplies (1.86%)		
5,000,000	Neogen Corp.[1]	90,021,499	84,050,000
	Life Sciences Tools & Services (5.36%)		
685,000	ICON plc[1,2]	35,267,641	196,807,350
30,000	Mettler-Toledo International, Inc.[1]	1,448,403	44,991,000
		36,716,044	241,798,350
	Managed Health Care (1.36%)		
750,000	HealthEquity, Inc.[1]	12,292,452	61,387,500
	Total Health Care	150,658,277	476,167,450
	Industrials (28.38%)		
	Aerospace & Defense (4.32%)		
2,250,000	Kratos Defense & Security Solutions, Inc. [1]	34,436,698	52,425,000
100,000	TransDigm Group, Inc. [1]	0	142,713,000
		34,436,698	195,138,000
	Building Products (2.06%)		
5,750,000	Janus International Group, Inc. [1]	56,199,483	58,132,500
525,000	Trex Co., Inc. [1]	18,023,818	34,954,500
		74,223,301	93,087,000
	Diversified Support Services (1.11%)		
3,500,000	Driven Brands Holdings, Inc. [1]	65,675,178	49,945,000
	Electrical Components & Equipment (7.82%)		
3,550,000	Vertiv Holdings Co., Cl A	35,986,645	353,189,500
	Environmental & Facilities Services (1.33%)		
335,000	Waste Connections, Inc. [2]	14,628,333	59,904,700

Baron Small Cap Fund — PORTFOLIO OF INVESTMENTS (Continued)

September 30, 2024

Shares		Cost	Value
Common Stocks (continued)			
Industrials (continued)			
	Human Resource & Employment Services (2.94%)		
950,000	Dayforce, Inc.[1]	$ 29,430,555	$ 58,187,500
3,750,000	First Advantage Corp.[1]	60,629,977	74,437,500
		90,060,532	132,625,000
	Industrial Machinery & Supplies & Components (5.20%)		
700,000	Chart Industries, Inc.[1]	103,706,326	86,898,000
700,000	John Bean Technologies Corp.	63,192,030	68,957,000
264,000	RBC Bearings, Incorporated[1]	30,582,037	79,036,320
		197,480,393	234,891,320
	Research & Consulting Services (0.68%)		
265,000	Exponent, Inc.	20,189,458	30,549,200
	Trading Companies & Distributors (2.92%)		
875,000	SiteOne Landscape Supply, Inc.[1]	33,566,364	132,046,250
Total Industrials		566,246,902	1,281,375,970
Information Technology (22.94%)			
	Application Software (11.60%)		
375,000	Altair Engineering, Inc., Cl A[1]	5,536,334	35,816,250
340,000	Aspen Technology, Inc.[1]	30,712,528	81,198,800
2,500,000	Clearwater Analytics Holdings, Inc., Cl A[1]	44,280,887	63,125,000
1,175,000	Guidewire Software, Inc.[1]	29,913,239	214,954,500
1,900,000	Intapp, Inc.[1]	75,158,999	90,877,000
1,200,000	nCino, Inc.[1]	39,096,986	37,908,000
		224,698,973	523,879,550
	Electronic Equipment & Instruments (1.35%)		
1,500,000	Cognex Corp.	25,832,808	60,750,000
	IT Consulting & Other Services (9.64%)		
1,500,000	ASGN, Inc.[1]	32,273,400	139,845,000
500,000	Gartner, Inc.[1]	6,387,894	253,380,000
3,000,000	Grid Dynamics Holdings, Inc.[1]	36,322,597	42,000,000
		74,983,891	435,225,000
	Semiconductors (0.35%)		
4,000,000	indie Semiconductor, Inc., Cl A[1]	28,368,458	15,960,000
Total Information Technology		353,884,130	1,035,814,550

Shares		Cost	Value
Common Stocks (continued)			
Materials (1.67%)			
	Specialty Chemicals (1.67%)		
1,500,000	Avient Corp.	$ 46,528,336	$ 75,480,000
Real Estate (0.58%)			
	Industrial REITs (0.31%)		
500,000	Americold Realty Trust, Inc.	7,243,867	14,135,000
	Telecom Tower REITs (0.27%)		
50,000	SBA Communications Corp.	201,321	12,035,000
Total Real Estate		7,445,188	26,170,000
TOTAL COMMON STOCKS		**1,796,683,412**	**4,438,925,291**

Principal Amount		Cost	Value
Short-Term Investments (1.71%)			
$77,359,443	Repurchase Agreement with Fixed Income Clearing Corp., dated 9/30/2024, 4.35% due 10/1/2024; Proceeds at maturity $77,368,791; (Fully Collateralized by $76,733,600 U.S. Treasury Note, 4.625% due 6/30/2026 Market value - $78,906,807)	**77,359,443**	**77,359,443**
TOTAL INVESTMENTS (100.02%)		**$1,874,042,855**	**4,516,284,734**
LIABILITIES LESS CASH AND OTHER ASSETS (-0.02%)			**(710,178)**
NET ASSETS			**$4,515,574,556**

% Represents percentage of net assets.
[1] Non-income producing securities.
[2] Foreign corporation.

Baron Opportunity Fund — PORTFOLIO OF INVESTMENTS

September 30, 2024

Shares		Cost	Value
Common Stocks (95.96%)			
Communication Services (9.64%)			
	Advertising (1.87%)		
231,810	The Trade Desk, Inc., Cl A[1]	$ 6,453,402	$ 25,417,967
	Interactive Media & Services (5.19%)		
123,000	Meta Platforms, Inc., Cl A	24,382,735	70,410,120
	Movies & Entertainment (2.58%)		
94,900	Spotify Technology SA[1,2]	23,806,422	34,973,497
Total Communication Services		54,642,559	130,801,584
Consumer Discretionary (12.40%)			
	Automobile Manufacturers (4.54%)		
235,200	Tesla, Inc.[1]	13,081,836	61,535,376
	Broadline Retail (6.67%)		
485,500	Amazon.com, Inc.[1]	29,742,116	90,463,215
	Education Services (1.19%)		
57,500	Duolingo, Inc.[1]	11,131,670	16,216,150
Total Consumer Discretionary		53,955,622	168,214,741
Financials (3.82%)			
	Transaction & Payment Processing Services (3.82%)		
52,700	MasterCard, Incorporated, Cl A	9,940,228	26,023,260
93,900	Visa, Inc., Cl A	13,273,862	25,817,805
Total Financials		23,214,090	51,841,065
Health Care (8.55%)			
	Biotechnology (6.82%)		
220,000	Arcellx, Inc.[1]	14,378,347	18,372,200
64,739	argenx SE, ADR[1,2]	9,490,491	35,093,717
128,000	Legend Biotech Corp., ADR[1,2]	6,700,395	6,237,440
690,270	Rocket Pharmaceuticals, Inc.[1]	12,666,542	12,749,287
316,600	Viking Therapeutics, Inc.[1]	4,645,174	20,043,946
		47,880,949	92,496,590
	Health Care Equipment (1.73%)		
47,705	Intuitive Surgical, Inc.[1]	6,193,832	23,436,035
Total Health Care		54,074,781	115,932,625
Industrials (1.01%)			
	Human Resource & Employment Services (1.01%)		
223,570	Dayforce, Inc.[1]	10,877,867	13,693,663
Information Technology (57.95%)			
	Application Software (9.54%)		
81,400	Atlassian Corp., Cl A[1,2]	12,212,683	12,927,134
29,600	Cadence Design Systems, Inc.[1]	8,208,384	8,022,488
283,500	Gitlab, Inc., Cl A[1,4]	12,173,496	14,611,590
175,100	Guidewire Software, Inc.[1]	5,058,280	32,032,794
26,100	HubSpot, Inc.[1]	9,730,855	13,874,760
372,900	Samsara, Inc., Cl A[1]	11,374,662	17,943,948
33,500	ServiceNow, Inc.[1,4]	6,318,061	29,962,065
		65,076,421	129,374,779
	Electronic Equipment & Instruments (0.59%)		
153,000	PAR Technology Corp.[1]	7,924,050	7,968,240
	Internet Services & Infrastructure (2.50%)		
565,000	GDS Holdings Ltd., ADR[1,2]	10,034,958	11,526,000
279,000	Shopify, Inc., Cl A[1,2]	11,961,247	22,359,060
		21,996,205	33,885,060

Shares		Cost	Value
Common Stocks (continued)			
Information Technology (continued)			
	IT Consulting & Other Services (2.60%)		
69,587	Gartner, Inc.[1]	$ 873,996	$ 35,263,908
	Semiconductor Materials & Equipment (1.33%)		
21,700	ASML Holding N.V.[2]	10,416,186	18,081,525
	Semiconductors (21.22%)		
94,700	Advanced Micro Devices, Inc.[1]	6,023,561	15,538,376
360,200	Broadcom, Inc.	49,443,238	62,134,500
3,964,000	indie Semiconductor, Inc., Cl A[1]	25,073,210	15,816,360
18,100	Monolithic Power Systems, Inc.	6,739,037	16,733,450
1,288,100	NVIDIA Corp.	7,741,076	156,426,864
121,700	Taiwan Semiconductor Manufacturing Co., Ltd., ADR[2]	14,430,983	21,135,639
		109,451,105	287,785,189
	Systems Software (15.51%)		
167,700	Cloudflare, Inc., Cl A[1,4]	8,720,124	13,565,253
49,423	Crowdstrike Holdings, Inc., Cl A[1]	2,921,143	13,861,669
152,500	Datadog, Inc., Cl A[1,4]	13,554,114	17,546,650
384,300	Microsoft Corporation	53,208,785	165,364,290
		78,404,166	210,337,862
	Technology Hardware, Storage & Peripherals (4.66%)		
271,000	Apple, Inc.	51,792,161	63,143,000
Total Information Technology		345,934,290	785,839,563
Real Estate (2.59%)			
	Real Estate Services (2.59%)		
465,130	CoStar Group, Inc.[1]	23,649,851	35,089,407
TOTAL COMMON STOCKS		**566,349,060**	**1,301,412,648**
Private Common Stocks (1.26%)			
Communication Services (0.10%)			
	Interactive Media & Services (0.10%)		
50,000	X Holdings I, Inc., Cl A[1,3,4]	5,000,000	1,366,000
Industrials (1.13%)			
	Aerospace & Defense (1.13%)		
105,020	Space Exploration Technologies Corp., Cl A[1,3,4]	4,607,169	11,762,240
31,890	Space Exploration Technologies Corp., Cl C[1,3,4]	1,392,972	3,571,680
		6,000,141	15,333,920
	Passenger Ground Transportation (0.00%)^		
3,571	GM Cruise Holdings LLC, Cl B[1,3,4]	103,563	25,998
Total Industrials		6,103,704	15,359,918
Materials (0.03%)			
	Fertilizers & Agricultural Chemicals (0.03%)		
182,067	Farmers Business Network, Inc.[1,3,4]	2,394,652	338,645
TOTAL PRIVATE COMMON STOCKS		**13,498,356**	**17,064,563**

Baron Opportunity Fund — PORTFOLIO OF INVESTMENTS (Continued)

September 30, 2024

Shares		Cost	Value
Private Convertible Preferred Stocks (0.21%)			
Materials (0.21%)			
	Fertilizers & Agricultural Chemicals (0.21%)		
37,254	Farmers Business Network, Inc. Series F[1,3,4]	$ 4,855,355	$ 684,729
615,761	Farmers Business Network, Inc., Units[1,3,4]	615,761	2,081,272
TOTAL PRIVATE CONVERTIBLE PREFERRED STOCKS		**5,471,116**	**2,766,001**
Private Preferred Stocks (1.67%)			
Industrials (1.67%)			
	Aerospace & Defense (1.53%)		
18,519	Space Exploration Technologies Corp., Series N[1,3,4]	5,000,130	20,741,280
	Passenger Ground Transportation (0.14%)		
266,956	GM Cruise Holdings LLC, Cl G[1,3,4]	7,034,290	1,943,439
TOTAL PRIVATE PREFERRED STOCKS		**12,034,420**	**22,684,719**

Principal Amount		Cost	Value
Short-Term Investments (0.94%)			
$12,746,912	Repurchase Agreement with Fixed Income Clearing Corp., dated 9/30/2024, 4.35% due 10/1/2024; Proceeds at maturity $12,748,453; (Fully Collateralized by $12,643,800 U.S. Treasury Note, 4.625% due 6/30/2026 Market value - $13,001,902)	**12,746,912**	**12,746,912**
TOTAL INVESTMENTS (100.04%)		**$610,099,864**	**1,356,674,843**
LIABILITIES LESS CASH AND OTHER ASSETS (-0.04%)			**(496,857)**
NET ASSETS			**$1,356,177,986**

% Represents percentage of net assets.
1 Non-income producing securities.
2 Foreign corporation.
3 At September 30, 2024, the market value of restricted securities amounted to $42,515,283 or 3.13% of net assets.
4 The Adviser has reclassified/classified certain securities in or out of this sub-industry. Such reclassifications/classifications are not supported by S&P or MSCI.
^ Rounds to less than 0.01%.
ADR American Depositary Receipt.

Baron Partners Fund — PORTFOLIO OF INVESTMENTS

September 30, 2024

Shares		Cost	Value
Common Stocks (101.39%)			
Communication Services (2.12%)			
	Alternative Carriers (0.84%)		
1,800,000	Iridium Communications, Inc.[6]	$ 43,744,159	$ 54,810,000
	Movies & Entertainment (1.28%)		
225,000	Spotify Technology SA[1,2,6]	36,152,863	82,919,250
Total Communication Services		79,897,022	137,729,250
Consumer Discretionary (53.05%)			
	Automobile Manufacturers (38.46%)		
9,520,000	Tesla, Inc.[1,5,6]	139,052,710	2,490,717,600
	Casinos & Gaming (1.60%)		
1,904,558	Red Rock Resorts, Inc., Cl A[6]	68,465,660	103,684,138
	Footwear (1.31%)		
1,725,000	Birkenstock Holding PLC[1,2,6]	78,199,680	85,025,250
	Hotels, Resorts & Cruise Lines (7.78%)		
3,310,000	Hyatt Hotels Corp., Cl A[6]	114,517,357	503,782,000
	Leisure Facilities (3.90%)		
1,450,000	Vail Resorts, Inc.[6]	143,600,315	252,720,500
Total Consumer Discretionary		543,835,722	3,435,929,488
Financials (22.53%)			
	Financial Exchanges & Data (7.04%)		
675,000	FactSet Research Systems, Inc.[6]	43,504,529	310,398,750
250,000	MSCI, Inc.[6]	88,967,758	145,732,500
		132,472,287	456,131,250
	Investment Banking & Brokerage (4.41%)		
4,400,000	The Charles Schwab Corp.[6]	113,630,269	285,164,000
	Property & Casualty Insurance (11.08%)		
6,415,000	Arch Capital Group Ltd.[1,2,6]	29,148,125	717,710,200
Total Financials		275,250,681	1,459,005,450
Health Care (5.19%)			
	Health Care Equipment (5.19%)		
665,000	IDEXX Laboratories, Inc.[1,6]	29,061,261	335,971,300
Industrials (0.87%)			
	Aerospace & Defense (0.87%)		
125,625	HEICO Corp.[6]	9,632,520	32,848,425
116,875	HEICO Corp., Cl A[6]	7,586,429	23,814,450
Total Industrials		17,218,949	56,662,875

Shares		Cost	Value
Common Stocks (continued)			
Information Technology (7.77%)			
	Application Software (2.49%)		
880,000	Guidewire Software, Inc.[1,6]	$ 71,023,556	$ 160,987,200
	IT Consulting & Other Services (5.28%)		
675,000	Gartner, Inc.[1,6]	80,865,424	342,063,000
Total Information Technology		151,888,980	503,050,200
Real Estate (9.86%)			
	Other Specialized REITs (1.43%)		
1,800,000	Gaming and Leisure Properties, Inc.[6]	56,364,978	92,610,000
	Real Estate Services (8.43%)		
7,235,000	CoStar Group, Inc.[1,6]	97,094,119	545,808,400
Total Real Estate		153,459,097	638,418,400
TOTAL COMMON STOCKS		**1,250,611,712**	**6,566,766,963**
Private Common Stocks (5.37%)			
Communication Services (1.01%)			
	Interactive Media & Services (0.25%)		
600,000	X Holdings I, Inc., Cl A[1,3,4]	60,000,000	16,392,000
	Movies & Entertainment (0.76%)		
197,613	StubHub Holdings, Inc., Cl A[1,3,4]	50,000,041	49,136,472
Total Communication Services		110,000,041	65,528,472
Industrials (4.36%)			
	Aerospace & Defense (4.36%)		
2,216,310	Space Exploration Technologies Corp., Cl A[1,3,4]	29,920,185	248,226,720
302,210	Space Exploration Technologies Corp., Cl C[1,3,4]	4,079,835	33,847,520
Total Industrials		34,000,020	282,074,240
TOTAL PRIVATE COMMON STOCKS		**144,000,060**	**347,602,712**
Private Convertible Preferred Stocks (0.04%)			
Industrials (0.04%)			
	Electrical Components & Equipment (0.04%)		
21,213,656	Northvolt AB, Series E2 (Sweden)[1,2,3,4]	**7,843,621**	**2,326,077**

Baron Partners Fund — PORTFOLIO OF INVESTMENTS (Continued)

September 30, 2024

Shares		Cost	Value
Private Preferred Stocks (8.42%)			
Industrials (8.42%)			
	Aerospace & Defense (8.42%)		
311,111	Space Exploration Technologies Corp., Cl H[1,3,4]	$ 41,999,985	$ 348,444,320
131,657	Space Exploration Technologies Corp., Cl I[1,3,4]	22,250,032	147,455,840
44,146	Space Exploration Technologies Corp., Series N[1,3,4]	11,919,420	49,443,520
TOTAL PRIVATE PREFERRED STOCKS		**76,169,437**	**545,343,680**
TOTAL INVESTMENTS (115.22%)		**$1,478,624,831**	**7,462,039,432**
LIABILITIES LESS CASH AND OTHER ASSETS (-15.22%)			**(985,431,514)**
NET ASSETS			**$6,476,607,918**

% Represents percentage of net assets.
1 Non-income producing securities.
2 Foreign corporation.
3 At September 30, 2024, the market value of restricted securities amounted to $895,272,469 or 13.82% of net assets.
4 The Adviser has reclassified/classified certain securities in or out of this sub-industry. Such reclassifications/classifications are not supported by S&P or MSCI.
5 Investors in the Fund may view Tesla, Inc.'s financial statements on the EDGAR website of the U.S. Securities and Exchange Commission by going to https://www.sec.gov/cgi-bin/browse-edgar?CIK=1318605&owner=exclude. Please note that the Fund is not responsible for Tesla's financial statements and can provide no assurances as to their accuracy or completeness.
6 All or a portion of this security is pledged with the custodian in connection with the Fund's loans payable outstanding. At September 30, 2024, the total market value of pledged securities amounted to $1,952,783,189 or 30.15% of net assets.

Baron Fifth Avenue Growth Fund — PORTFOLIO OF INVESTMENTS

September 30, 2024

Shares		Cost	Value
Common Stocks (96.09%)			
Communication Services (14.86%)			
	Advertising (4.53%)		
263,003	The Trade Desk, Inc., Cl A[1]	$15,674,735	$ 28,838,279
	Interactive Media & Services (10.33%)		
82,684	Alphabet, Inc., Cl A	11,594,291	13,713,141
90,909	Meta Platforms Inc., Cl A	6,630,519	52,039,948
		18,224,810	65,753,089
Total Communication Services		33,899,545	94,591,368
Consumer Discretionary (18.82%)			
	Automobile Manufacturers (3.31%)		
80,591	Tesla, Inc.[1]	17,330,182	21,085,023
	Broadline Retail (15.51%)		
287,686	Amazon.com, Inc.[1]	2,726,880	53,604,533
680,704	Coupang, Inc., Cl A[1]	12,159,012	16,711,283
13,817	MercadoLibre, Inc.[1]	9,299,061	28,351,931
		24,184,953	98,667,747
Total Consumer Discretionary		41,515,135	119,752,770
Financials (8.49%)			
	Asset Management & Custody Banks (1.97%)		
96,079	KKR & Co., Inc.	11,531,920	12,545,996
	Transaction & Payment Processing Services (6.52%)		
8,265	Adyen N.V., 144A (Netherlands)[1,2]	7,869,686	12,939,839
189,751	Block, Inc.[1]	11,620,969	12,737,985
32,067	MasterCard Incorporated, Cl A	1,161,898	15,834,684
		20,652,553	41,512,508
Total Financials		32,184,473	54,058,504
Health Care (10.89%)			
	Biotechnology (2.80%)		
32,834	argenx SE, ADR[1,2]	10,908,180	17,798,655
	Health Care Equipment (5.77%)		
74,792	Intuitive Surgical, Inc.[1]	8,845,700	36,743,066
	Health Care Technology (1.33%)		
40,309	Veeva Systems, Inc., Cl A[1]	2,538,180	8,459,650
	Life Sciences Tools & Services (0.99%)		
4,609	GRAIL, Inc.[1,4]	28,246	63,420
47,699	Illumina, Inc.[1]	3,179,392	6,220,426
		3,207,638	6,283,846
Total Health Care		25,499,698	69,285,217
Information Technology (43.03%)			
	Application Software (8.35%)		
34,277	Atlassian Corp., Cl A[1,2]	4,849,202	5,443,530
48,542	Gitlab, Inc., Cl A[1,4]	2,362,876	2,501,855
259,313	Samsara, Inc., Cl A[1]	9,514,688	12,478,142
36,609	ServiceNow, Inc.[1,4]	11,370,213	32,742,723
		28,096,979	53,166,250
	Internet Services & Infrastructure (5.93%)		
471,283	Shopify, Inc., Cl A[1,2]	19,346,878	37,768,620
	Semiconductor Materials & Equipment (2.56%)		
19,541	ASML Holding N.V.[2]	1,203,894	16,282,538

Shares		Cost	Value
Common Stocks (continued)			
Information Technology (continued)			
	Semiconductors (13.08%)		
562,593	NVIDIA Corp.	$ 7,380,630	$ 68,321,294
85,801	Taiwan Semiconductor Manufacturing Co., Ltd., ADR[2]	14,703,366	14,901,060
		22,083,996	83,222,354
	Systems Software (13.11%)		
164,425	Cloudflare, Inc., Cl A[1,4]	9,561,724	13,300,338
35,464	Crowdstrike Holdings, Inc., Cl A[1]	1,533,125	9,946,588
151,618	Datadog, Inc., Cl A[1,4]	9,184,124	17,445,167
68,611	Microsoft Corporation	27,091,467	29,523,314
114,891	Snowflake, Inc., Cl A[1,4]	13,341,484	13,196,380
		60,711,924	83,411,787
Total Information Technology		131,443,671	273,851,549
TOTAL COMMON STOCKS		**264,542,522**	**611,539,408**
Private Common Stocks (0.95%)			
Industrials (0.95%)			
	Aerospace & Defense (0.95%)		
41,330	Space Exploration Technologies Corp., Cl A[1,3,4]	1,932,253	4,628,960
12,240	Space Exploration Technologies Corp., Cl C[1,3,4]	567,691	1,370,880
TOTAL PRIVATE COMMON STOCKS		**2,499,944**	**5,999,840**
Private Preferred Stocks (0.15%)			
Industrials (0.15%)			
	Passenger Ground Transportation (0.15%)		
133,288	GM Cruise Holdings LLC, Cl G[1,3,4]	**3,512,139**	**970,337**

Principal Amount		Cost	Value
Short-Term Investments (3.19%)			
$20,313,290	Repurchase Agreement with Fixed Income Clearing Corp., dated 9/30/2024, 4.35% due 10/1/2024; Proceeds at maturity $20,315,744; (Fully Collateralized by $20,743,100 U.S. Treasury Note, 3.50% due 9/30/2026 Market value - $20,719,648)	**20,313,290**	**20,313,290**
TOTAL INVESTMENTS (100.38%)		**$290,867,895**	**638,822,875**
LIABILITIES LESS CASH AND OTHER ASSETS (-0.38%)			**(2,412,394)**
NET ASSETS			**$636,410,481**

% Represents percentage of net assets.
[1] Non-income producing securities.
[2] Foreign corporation.
[3] At September 30, 2024, the market value of restricted securities amounted to $6,970,177 or 1.10% of net assets.
[4] The Adviser has reclassified/classified certain securities in or out of this sub-industry. Such reclassifications/classifications are not supported by S&P or MSCI.
ADR American Depositary Receipt.
144A Security is exempt from registration pursuant to Rule 144A under the Securities Act of 1933. This security may be resold in transactions that are exempt from registration, normally to qualified institutional buyers. At September 30, 2024, the market value of Rule 144A securities amounted to $12,939,839 or 2.03% of net assets.

Baron Focused Growth Fund — PORTFOLIO OF INVESTMENTS

September 30, 2024

Shares		Cost	Value
Common Stocks (87.79%)			
Communication Services (7.29%)			
	Alternative Carriers (1.42%)		
770,000	Iridium Communications, Inc.	$ 17,550,617	$ 23,446,500
	Movies & Entertainment (5.87%)		
262,000	Spotify Technology SA[1,2]	35,016,218	96,554,860
Total Communication Services		52,566,835	120,001,360
Consumer Discretionary (40.17%)			
	Apparel, Accessories & Luxury Goods (3.33%)		
8,000,000	Figs, Inc., Cl A[1]	62,411,157	54,720,000
	Automobile Manufacturers (9.78%)		
615,000	Tesla, Inc.[1]	8,168,271	160,902,450
	Casinos & Gaming (4.83%)		
410,000	Las Vegas Sands Corp.	17,975,256	20,639,400
1,082,100	Red Rock Resorts, Inc., Cl A	39,427,046	58,909,524
		57,402,302	79,548,924
	Footwear (6.70%)		
675,000	Birkenstock Holding PLC[1,2]	30,906,103	33,270,750
1,535,000	On Holding AG, Cl A[1,2]	43,531,637	76,980,250
		74,437,740	110,251,000
	Hotels, Resorts & Cruise Lines (8.83%)		
134,000	Airbnb, Inc., Cl A[1]	15,295,942	16,992,540
400,000	Choice Hotels International, Inc.	33,100,258	52,120,000
500,000	Hyatt Hotels Corp., Cl A	24,424,809	76,100,000
		72,821,009	145,212,540
	Leisure Facilities (4.22%)		
398,842	Vail Resorts, Inc.	69,704,795	69,514,172
	Restaurants (2.48%)		
3,800,000	Krispy Kreme, Inc.	51,188,154	40,812,000
Total Consumer Discretionary		396,133,428	660,961,086
Financials (18.31%)			
	Financial Exchanges & Data (6.68%)		
125,000	FactSet Research Systems, Inc.	25,848,440	57,481,250
90,000	MSCI, Inc.	43,089,524	52,463,700
		68,937,964	109,944,950
	Investment Banking & Brokerage (5.51%)		
540,000	Interactive Brokers Group, Inc., Cl A	47,496,720	75,254,400
250,000	Jefferies Financial Group, Inc.	7,732,070	15,387,500
		55,228,790	90,641,900
	Property & Casualty Insurance (6.12%)		
900,000	Arch Capital Group Ltd.[1,2]	25,104,585	100,692,000
Total Financials		149,271,339	301,278,850
Health Care (3.12%)			
	Health Care Equipment (1.05%)		
34,000	IDEXX Laboratories, Inc.[1]	15,205,826	17,177,480
	Life Sciences Tools & Services (2.07%)		
261,200	Illumina, Inc.[1]	28,524,417	34,063,092
Total Health Care		43,730,243	51,240,572

Shares		Cost	Value
Common Stocks (continued)			
Industrials (2.61%)			
	Research & Consulting Services (2.61%)		
160,000	Verisk Analytics, Inc.	$ 28,339,398	$ 42,873,600
Information Technology (10.98%)			
	Application Software (7.69%)		
95,000	ANSYS, Inc.[1]	24,133,643	30,269,850
526,300	Guidewire Software, Inc.[1]	48,175,978	96,281,322
		72,309,621	126,551,172
	Internet Services & Infrastructure (3.29%)		
675,000	Shopify, Inc., Cl A[1,2]	34,732,649	54,094,500
Total Information Technology		107,042,270	180,645,672
Real Estate (5.31%)			
	Office REITs (1.60%)		
1,500,000	Douglas Emmett, Inc.	21,662,219	26,355,000
	Real Estate Services (3.16%)		
690,000	CoStar Group, Inc.[1]	19,274,979	52,053,600
	Single-Family Residential REITs (0.55%)		
235,000	American Homes 4 Rent, Cl A	5,062,679	9,021,650
Total Real Estate		45,999,877	87,430,250
TOTAL COMMON STOCKS		**823,083,390**	**1,444,431,390**
Private Common Stocks (5.26%)			
Industrials (5.26%)			
	Aerospace & Defense (5.26%)		
629,570	Space Exploration Technologies Corp., Cl A[1,3,4]	26,390,845	70,511,840
143,170	Space Exploration Technologies Corp., Cl C[1,3,4]	6,808,820	16,035,040
TOTAL PRIVATE COMMON STOCKS		**33,199,665**	**86,546,880**
Private Preferred Stocks (4.80%)			
Industrials (3.59%)			
	Aerospace & Defense (3.59%)		
29,630	Space Exploration Technologies Corp., Cl H[1,3,4]	4,000,050	33,185,600
1,479	Space Exploration Technologies Corp., Cl I[1,3,4]	249,951	1,656,480
12,346	Space Exploration Technologies Corp., Series K[1,3,4]	10,000,260	13,827,520
9,259	Space Exploration Technologies Corp., Series N[1,3,4]	2,499,930	10,370,080
Total Industrials		16,750,191	59,039,680
Information Technology (1.21%)			
	Application Software (1.21%)		
1,670,843	X.AI Corp.[1,3,4]	19,999,991	19,999,991
TOTAL PRIVATE PREFERRED STOCKS		**36,750,182**	**79,039,671**

Baron Focused Growth Fund — PORTFOLIO OF INVESTMENTS (Continued)

September 30, 2024

Principal Amount		Cost	Value
Short-Term Investments (1.94%)			
$31,926,585	Repurchase Agreement with Fixed Income Clearing Corp., dated 9/30/2024, 4.35% due 10/1/2024; Proceeds at maturity $31,930,443; (Fully Collateralized by $38,487,100 U.S. Treasury Note, 0.625% due 8/15/2030 Market value - $32,565,279)	$ 31,926,585	$ 31,926,585
TOTAL INVESTMENTS (99.79%)		$924,959,822	1,641,944,526
CASH AND OTHER ASSETS LESS LIABILITIES (0.21%)			3,411,432
NET ASSETS			$1,645,355,958

% Represents percentage of net assets.
[1] Non-income producing securities.
[2] Foreign corporation.
[3] At September 30, 2024, the market value of restricted securities amounted to $165,586,551 or 10.06% of net assets.
[4] The Adviser has reclassified/classified certain securities in or out of this sub-industry. Such reclassifications/classifications are not supported by S&P or MSCI.

Baron International Growth Fund — PORTFOLIO OF INVESTMENTS

September 30, 2024

Shares		Cost	Value
Common Stocks (97.32%)			
Australia (1.16%)			
537,675	Lynas Rare Earths Ltd.[1]	$ 2,275,407	$ 2,949,971
11,223	WiseTech Global Ltd.	990,597	1,062,777
Total Australia		3,266,004	4,012,748
Brazil (2.10%)			
114,213	Afya Ltd., Cl A[1]	1,528,333	1,949,616
277,837	Localiza Rent a Car SA	3,109,710	2,091,032
104,503	NU Holdings Ltd., Cl A[1]	853,294	1,426,466
182,733	Suzano SA	1,501,218	1,826,089
Total Brazil		6,992,555	7,293,203
Canada (3.89%)			
52,746	Agnico Eagle Mines Ltd.	2,523,994	4,249,218
2,836	Constellation Software, Inc.[1]	64,687	9,226,515
Total Canada		2,588,681	13,475,733
China (8.61%)			
30,414	Alibaba Group Holding Limited, ADR	2,574,644	3,227,534
971,319	China Mengniu Dairy Co. Ltd.	1,624,067	2,278,376
60,881	Contemporary Amperex Technology Co. Ltd., Cl A[1]	1,775,576	2,139,602
516,336	Full Truck Alliance Co. Ltd., ADR	3,595,595	4,652,187
284,497	Fuyao Glass Industry Group Co. Ltd., Cl A	1,726,923	2,359,962
20,695	JD.com, Inc., ADR	737,228	827,800
1,641,202	Kingdee International Software Group Co. Ltd.[1]	1,274,300	1,850,866
154,169	Meituan, Cl B, 144A[1]	2,205,889	3,273,837
32,231	Shenzhen Mindray Bio-Medical Electronics Co. Ltd., Cl A	1,331,805	1,329,120
41,645	Tencent Holdings Limited	593,090	2,315,664
31,390	Tencent Holdings Limited, ADR	1,285,943	1,739,006
114,565	Tencent Music Entertainment Group, ADR	1,055,354	1,380,508
101,738	Zai Lab Limited, ADR[1]	2,257,642	2,455,955
Total China		22,038,056	29,830,417
Denmark (1.68%)			
72,374	Genmab A/S, ADR[1]	2,602,240	1,764,478
33,995	Novo Nordisk AS, ADR	3,347,648	4,047,785
Total Denmark		5,949,888	5,812,263
France (6.13%)			
87,784	BNP Paribas S.A.	3,113,028	6,023,882
82,817	Eurofins Scientific SE	1,570,783	5,250,688
3,439	LVMH Moët Hennessy Louis Vuitton SE	768,943	2,637,285
17,623	Pernod Ricard SA	3,099,108	2,666,225
272,881	Waga Energy SA[1]	7,210,843	4,651,233
Total France		15,762,705	21,229,313
Germany (2.85%)			
66,171	Befesa SA, 144A	2,644,251	1,917,352
57,389	Symrise AG	4,599,683	7,942,029
Total Germany		7,243,934	9,859,381
Hong Kong (0.92%)			
213,504	Techtronic Industries Co. Ltd.	1,572,953	3,187,278
India (10.46%)			
350,977	Bharti Airtel Ltd. PP	1,865,822	5,471,670
159,625	Godrej Consumer Products Ltd.	1,979,040	2,649,727
54,869	Godrej Properties Ltd.[1]	608,954	2,069,312
329,870	Indus Towers Ltd.[1]	1,218,249	1,545,483
Common Stocks (continued)			
India (continued)			
38,903	InterGlobe Aviation Ltd., 144A[1]	$ 1,538,521	$ 2,219,057
467,276	Jio Financial Services Ltd.[1]	1,108,121	1,951,391
1,176,065	JM Financial Limited	1,261,067	2,118,192
44,968	Kaynes Technology India Ltd.[1]	1,491,066	2,908,923
165,157	Max Healthcare Institute Ltd.	1,106,306	1,939,926
261,435	Nippon Life India Asset Management Ltd., 144A	837,390	2,034,079
120,613	Reliance Industries Limited	2,078,659	4,243,521
78,284	Trent Ltd.	1,809,463	7,082,479
Total India		16,902,658	36,233,760
Ireland (1.42%)			
440,826	Bank of Ireland Group PLC	3,306,150	4,922,930
Israel (4.07%)			
14,733	CyberArk Software Ltd.[1]	2,665,597	4,296,290
121,046	Oddity Tech Ltd., Cl A[1]	4,031,548	4,887,837
29,369	Wix.com Ltd.[1]	2,121,011	4,909,616
Total Israel		8,818,156	14,093,743
Italy (0.72%)			
125,584	Stevanato Group SpA	2,649,721	2,511,680
Japan (10.12%)			
134,050	Ajinomoto Co., Inc.	4,968,597	5,187,992
40,006	Japan Airport Terminal Co. Ltd.	1,650,839	1,443,680
145,252	Japan Exchange Group, Inc.	1,312,805	1,887,740
10,118	Keyence Corporation	2,600,374	4,849,173
851,966	LY Corp.	2,327,705	2,483,306
295,681	Mitsubishi UFJ Financial Group, Inc., ADR	2,104,691	3,010,032
81,200	Recruit Holdings Co, Ltd.	1,329,344	4,933,094
227,200	SMS Co. Ltd.	6,237,826	3,414,064
229,191	Sumitomo Mitsui Financial Group, Inc.	3,245,628	4,897,035
16,616	Tokyo Electron Limited	1,228,784	2,963,225
Total Japan		27,006,593	35,069,341
Korea, Republic of (5.85%)			
142,001	Coupang, Inc., Cl A[1]	1,772,026	3,486,125
21,392	HD Hyundai Heavy Industries Co. Ltd.[1]	1,971,006	3,007,898
49,682	HD Korea Shipbuilding & Offshore Engineering Co. Ltd.[1]	3,577,625	7,096,422
25,892	ISC Co. Ltd.	1,058,506	1,146,899
19,960	Park Systems Corp.	2,635,287	2,952,678
35,448	Samsung Electronics Co., Ltd.	1,892,966	1,656,796
6,831	SK Hynix, Inc.	868,959	914,239
Total Korea, Republic of		13,776,375	20,261,057
Netherlands (8.14%)			
172,735	AMG Critical Materials NV	4,369,079	3,285,964
16,519	argenx SE, ADR[1]	463,028	8,954,620
8,622	BE Semiconductor Industries NV	1,108,847	1,099,654
56,551	DSM-Firmenich AG	7,177,151	7,804,444
45,628	Prosus NV	1,600,969	1,994,046
194,063	Universal Music Group NV	4,137,782	5,076,923
Total Netherlands		18,856,856	28,215,651
Peru (0.95%)			
18,162	Credicorp, Ltd.	2,564,129	3,286,777
Poland (3.40%)			
37,029	Dino Polska SA, 144A[1]	2,666,535	3,373,881
444,491	InPost SA[1]	4,086,824	8,392,041
Total Poland		6,753,359	11,765,922

Baron International Growth Fund — PORTFOLIO OF INVESTMENTS (Continued)

September 30, 2024

Shares		Cost	Value
Common Stocks (continued)			
Russia (0.00%)^			
487,800	Sberbank of Russia PJSC[2]	$ 1,650,983	$ 304
Spain (4.35%)			
1,033,243	eDreams ODIGEO SA[1]	7,196,118	7,832,548
122,025	Industria de Diseno Textil, S.A.	3,552,716	7,227,102
Total Spain		10,748,834	15,059,650
Sweden (2.22%)			
265,359	Epiroc AB, Cl A	4,367,765	5,747,531
56,172	EQT AB	1,787,822	1,928,269
Total Sweden		6,155,587	7,675,800
Switzerland (1.73%)			
18,903	Compagnie Financiere Richemont SA, Cl A	2,430,677	3,001,877
29,618	Nestle S.A.	2,617,877	2,976,384
Total Switzerland		5,048,554	5,978,261
Taiwan (3.69%)			
21,843	eMemory Technology, Inc.	1,682,565	1,797,759
316,093	Taiwan Semiconductor Manufacturing Co., Ltd.	6,418,552	9,531,508
8,409	Taiwan Semiconductor Manufacturing Co., Ltd., ADR	686,099	1,460,391
Total Taiwan		8,787,216	12,789,658
United Kingdom (8.37%)			
98,244	AstraZeneca PLC, ADR	3,740,977	7,654,190
311,104	B&M European Value Retail S.A.	1,158,741	1,732,658
66,426	Endava plc, ADR[1]	2,165,267	1,696,520
140,802	Experian plc	2,722,320	7,415,987
22,038	Linde Public Limited Company	3,213,542	10,512,235
Total United Kingdom		13,000,847	29,011,590
United States (4.49%)			
42,137	Agilent Technologies, Inc.	1,642,510	6,256,502
83,212	Arch Capital Group Ltd.[1]	1,253,629	9,309,758
Total United States		2,896,139	15,566,260
TOTAL COMMON STOCKS		**214,336,933**	**337,142,720**
Warrants (0.00%)			
Canada (0.00%)			
5,029	Constellation Software, Inc. Exp. 3/31/2040[1,2]	**0**	**0**

Principal Amount		Cost	Value
Short-Term Investments (3.02%)			
$10,455,289	Repurchase Agreement with Fixed Income Clearing Corp., dated 9/30/2024, 4.35% due 10/1/2024; Proceeds at maturity $10,456,553; (Fully Collateralized by $12,603,700 U.S. Treasury Note, 0.625% due 8/15/2030 Market value - $10,664,413)	**$ 10,455,289**	**$ 10,455,289**
TOTAL INVESTMENTS (100.34%)		**$224,792,222**	**347,598,009**
LIABILITIES LESS CASH AND OTHER ASSETS (-0.34%)			**(1,173,372)**
NET ASSETS			**$346,424,637**

% Represents percentage of net assets.
[1] Non-income producing securities.
[2] At September 30, 2024, the market value of restricted securities amounted to $304 or less than 0.01% of net assets.
^ Rounds to less than 0.01%.
ADR American Depositary Receipt.
144A Security is exempt from registration pursuant to Rule 144A under the Securities Act of 1933. This security may be resold in transactions that are exempt from registration, normally to qualified institutional buyers. At September 30, 2024, the market value of Rule 144A securities amounted to $12,818,206 or 3.70% of net assets.

Summary of Investments by Sector as of September 30, 2024	Percentage of Net Assets
Industrials	16.6%
Information Technology	15.7%
Consumer Discretionary	13.5%
Financials	12.4%
Health Care	12.2%
Materials	11.1%
Consumer Staples	6.9%
Communication Services	5.8%
Energy	2.6%
Real Estate	0.6%
Cash and Cash Equivalents*	2.7%
	100.0%**

* Includes short-term investments, other assets and liabilities-net.
** Individual weights may not sum to 100% due to rounding.

Baron Real Estate Fund — PORTFOLIO OF INVESTMENTS

September 30, 2024

Shares		Cost	Value
Common Stocks (98.95%)			
Consumer Discretionary (36.87%)			
	Casinos & Gaming (8.78%)		
1,457,945	Caesars Entertainment, Inc.[1]	$ 53,540,225	$ 60,854,624
1,151,850	Las Vegas Sands Corp.	48,854,223	57,984,129
989,805	MGM Resorts International[1]	35,434,555	38,691,477
584,049	Red Rock Resorts, Inc., Cl A	9,776,427	31,795,628
		147,605,430	189,325,858
	Home Improvement Retail (3.93%)		
93,950	Floor & Decor Holdings, Inc., Cl A[1]	6,620,059	11,665,772
270,050	Lowe's Companies, Inc.	57,264,095	73,143,042
		63,884,154	84,808,814
	Homebuilding (18.95%)		
636,250	D.R. Horton, Inc.	55,434,225	121,377,413
117,100	Installed Building Products, Inc.	16,206,880	28,838,217
674,449	Lennar Corp., Cl A	59,312,567	126,445,699
853,550	Toll Brothers, Inc.	39,436,110	131,864,939
		170,389,782	408,526,268
	Hotels, Resorts & Cruise Lines (5.21%)		
251,250	Hilton Worldwide Holdings, Inc.	40,878,665	57,913,125
357,250	Hyatt Hotels Corp., Cl A	45,046,753	54,373,450
		85,925,418	112,286,575
Total Consumer Discretionary		467,804,784	794,947,515
Financials (10.14%)			
	Asset Management & Custody Banks (10.14%)		
618,550	Blackstone, Inc.	61,147,609	94,718,562
960,056	Brookfield Asset Management Ltd., Cl A[2]	34,704,710	45,401,048
1,478,275	Brookfield Corp., Cl A[2]	55,637,785	78,570,316
Total Financials		151,490,104	218,689,926
Industrials (4.70%)			
	Building Products (2.09%)		
184,350	Builders FirstSource, Inc.[1]	27,938,514	35,738,091
104,586	Fortune Brands Innovations, Inc.	5,348,225	9,363,585
		33,286,739	45,101,676
	Trading Companies & Distributors (2.61%)		
372,785	SiteOne Landscape Supply, Inc.[1]	46,211,029	56,256,984
Total Industrials		79,497,768	101,358,660
Information Technology (3.82%)			
	Internet Services & Infrastructure (3.82%)		
4,031,798	GDS Holdings Ltd., ADR[1,2]	48,489,685	82,248,679
Materials (5.49%)			
	Construction Materials (2.96%)		
9,901	Martin Marietta Materials, Inc.	5,548,386	5,329,213
233,295	Vulcan Materials Co.	52,012,505	58,424,067
		57,560,891	63,753,280
	Forest Products (2.53%)		
508,002	Louisiana-Pacific Corp.	45,215,972	54,589,895
Total Materials		102,776,863	118,343,175

Shares		Cost	Value
Common Stocks (continued)			
Real Estate (37.93%)			
	Data Center REITs (9.93%)		
474,054	Digital Realty Trust, Inc.	$ 57,138,768	$ 76,716,159
154,835	Equinix, Inc.	102,357,732	137,436,191
		159,496,500	214,152,350
	Health Care REITs (3.72%)		
626,300	Welltower, Inc.	52,032,548	80,185,189
	Industrial REITs (3.71%)		
189,628	Lineage, Inc.	14,993,699	14,863,043
298,050	Prologis, Inc.	24,008,048	37,637,754
544,659	Rexford Industrial Realty, Inc.	24,828,805	27,401,794
		63,830,552	79,902,591
	Multi-Family Residential REITs (3.35%)		
138,065	AvalonBay Communities, Inc.	26,602,674	31,099,141
551,067	Equity Residential	32,966,118	41,032,449
		59,568,792	72,131,590
	Office REITs (2.72%)		
1,489,400	Vornado Realty Trust	48,948,663	58,682,360
	Other Specialized REITs (0.63%)		
115,050	Iron Mountain, Inc.	13,691,910	13,671,391
	Real Estate Services (10.07%)		
717,206	CBRE Group, Inc., Cl A[1]	58,496,896	89,277,803
588,163	CoStar Group, Inc.[1]	28,490,746	44,371,017
309,542	Jones Lang LaSalle, Inc.[1]	52,855,856	83,517,527
		139,843,498	217,166,347
	Retail REITs (0.87%)		
1,029,912	The Macerich Co.	18,309,004	18,785,595
	Single-Family Residential REITs (1.27%)		
776,793	Invitation Homes, Inc.	22,145,266	27,389,721
	Telecom Tower REITs (1.66%)		
153,401	American Tower Corp.	21,114,472	35,674,937
Total Real Estate		598,981,205	817,742,071
TOTAL COMMON STOCKS		**1,449,040,409**	**2,133,330,026**

Principal Amount			
Short-Term Investments (1.02%)			
$21,977,680	Repurchase Agreement with Fixed Income Clearing Corp., dated 9/30/2024, 4.35% due 10/1/2024; Proceeds at maturity $21,980,336; (Fully Collateralized by $22,442,700 U.S. Treasury Note, 3.50% due 9/30/2026 Market value - $22,417,320)	**21,977,680**	**21,977,680**
TOTAL INVESTMENTS (99.97%)		**$1,471,018,089**	**2,155,307,706**
CASH AND OTHER ASSETS LESS LIABILITIES (0.03%)			**656,382**
NET ASSETS			**$2,155,964,088**

% Represents percentage of net assets.
[1] Non-income producing securities.
[2] Foreign corporation.
[ADR] American Depositary Receipt.

Baron Emerging Markets Fund — PORTFOLIO OF INVESTMENTS

September 30, 2024

Shares		Cost	Value
Common Stocks (95.87%)			
Brazil (5.78%)			
1,256,286	Afya Ltd., Cl A[1]	$ 27,054,409	$ 21,444,802
2,817,798	Banco BTG Pactual SA	19,695,238	17,208,756
2,249,527	Inter & Co., Inc. BDR	9,222,202	15,076,130
6,414,776	Localiza Rent a Car SA	46,486,893	48,278,322
2,672,556	NU Holdings Ltd., Cl A[1]	20,809,107	36,480,389
4,490,064	Suzano SA	36,757,768	44,870,144
2,653,612	WEG SA	21,217,336	26,493,742
1,249,150	XP, Inc., Cl A	15,671,938	22,409,751
Total Brazil		196,914,891	232,262,036
China (25.55%)			
1,073,998	Alibaba Group Holding Limited, ADR	88,365,031	113,972,668
22,325,564	China Mengniu Dairy Co. Ltd.	41,310,153	52,367,996
1,696,962	Contemporary Amperex Technology Co. Ltd., Cl A	46,288,531	59,638,043
7,607,870	Full Truck Alliance Co. Ltd., ADR	55,893,317	68,546,909
4,894,629	Fuyao Glass Industry Group Co. Ltd., Cl A	29,301,415	40,601,959
2,598,707	Galaxy Entertainment Group Ltd.	15,949,635	12,832,902
606,053	JD.com, Inc., ADR	21,983,334	24,242,120
3,806,051	Jiangsu Hengli Hydraulic Co. Ltd., Cl A	28,994,160	33,944,997
1,687,683	Kanzhun Ltd., ADR[1]	27,052,716	29,298,177
36,366,230	Kingdee International Software Group Co. Ltd.[1]	26,563,012	41,012,033
3,066,001	Kingsoft Corp. Ltd.	9,682,070	11,489,996
137,329	Kweichow Moutai Co. Ltd., Cl A	33,562,736	33,651,974
3,786,563	Meituan, Cl B, 144A[1]	57,366,253	80,409,081
2,049,573	Midea Group Co. Ltd.	15,502,434	19,575,988
1,650,188	Midea Group Co., Ltd., Cl A	9,493,929	17,781,417
10,899,727	NARI Technology Co. Ltd., Cl A	34,121,089	42,505,695
96,500	PDD Holdings, Inc., ADR[1]	10,088,047	13,009,165
604,724	Shenzhen Mindray Bio-Medical Electronics Co. Ltd., Cl A	17,433,983	24,937,200
4,897,874	Shenzhou International Group Holdings Ltd.	26,508,241	43,360,646
2,604,345	Tencent Holdings Limited	50,322,171	144,814,186
524,527	Tencent Holdings Limited, ADR	22,089,197	29,058,796
2,285,348	Tencent Music Entertainment Group, ADR	21,576,878	27,538,443
302,024	Yum China Holdings, Inc.	14,182,448	13,597,120
311,135	Yum China Holdings, Inc., (Hong Kong)	16,174,196	14,481,453
1,388,497	Zai Lab Limited, ADR[1]	27,835,607	33,518,317
Total China		747,640,583	1,026,187,281
Hong Kong (1.59%)			
15,857,592	Budweiser Brewing Co. APAC Ltd., 144A	41,481,902	20,926,020
2,870,865	Techtronic Industries Co. Ltd.	11,188,725	42,857,486
Total Hong Kong		52,670,627	63,783,506
India (26.65%)			
2,730,228	Aarti Industries Ltd.	27,404,147	18,992,148
433,864	Bajaj Finance Limited	12,343,775	39,862,537
3,888,150	Bharti Airtel Ltd.	27,508,899	79,265,563
1,366,939	Bharti Airtel Ltd. PP	5,728,127	21,310,341
714,588	Cholamandalam Investment & Finance Co. Ltd.	11,436,744	13,716,402
373,254	Cummins India Ltd.	16,829,251	16,970,212
7,031,903	DCW Ltd.[1]	7,955,403	7,909,001
3,091,146	Godrej Consumer Products Ltd.	35,518,957	51,312,104
1,099,330	Godrej Properties Ltd.[1]	20,348,266	41,459,782
937,495	HDFC Bank Ltd.	12,813,022	19,307,077
15,028,190	Indus Towers Ltd.[1]	44,201,564	70,408,975

Shares		Cost	Value
Common Stocks (continued)			
India (continued)			
679,516	InterGlobe Aviation Ltd., 144A[1]	$ 25,779,910	$ 38,760,108
9,012,521	Jio Financial Services Ltd.[1]	21,977,617	37,637,174
28,406,359	JM Financial Limited	33,419,608	51,162,231
638,228	Kaynes Technology India Ltd.[1]	21,425,432	41,286,163
1,140,721	Mahindra & Mahindra Ltd.	21,227,068	42,102,254
2,484,408	Max Healthcare Institute Ltd.	17,487,778	29,181,741
5,096,650	Nippon Life India Asset Management Ltd., 144A	16,324,830	39,654,182
302,587	Nuvama Wealth Management Ltd.	11,870,926	24,419,127
12,588,436	Power Grid Corp. of India Ltd.	48,130,464	53,092,747
2,033,266	Reliance Industries Limited	33,787,877	71,536,286
2,432,366	SBI Life Insurance Company Limited, 144A	24,901,799	53,418,816
568,766	SRF Ltd.	17,877,309	16,959,217
1,582,187	Tata Communications Ltd.	8,295,663	40,296,957
2,129,236	Tata Consumer Products Ltd.	7,429,355	30,394,025
646,886	Titan Co. Ltd.	8,906,299	29,501,583
1,001,769	Trent Ltd.	19,718,251	90,631,652
Total India		560,648,341	1,070,548,405
Indonesia (1.12%)			
138,419,571	Bank Rakyat Indonesia (Persero) Tbk PT	40,361,290	45,271,818
Korea, Republic of (13.03%)			
2,887,651	Coupang, Inc., Cl A[1]	37,142,168	70,891,832
330,964	HD Hyundai Heavy Industries Co. Ltd.[1]	17,343,092	46,536,364
739,094	HD Korea Shipbuilding & Offshore Engineering Co. Ltd.[1]	66,088,993	105,569,875
525,137	HPSP Co. Ltd.	11,726,443	12,484,561
268,848	Hyundai Rotem Co. Ltd.	9,662,455	11,001,424
545,666	ISC Co. Ltd.	20,558,301	24,170,556
644,584	KB Financial Group, Inc.	31,676,430	39,772,288
781,716	Korea Aerospace Industries Ltd.	26,406,591	31,154,580
144,363	Park Systems Corp.	19,058,553	21,355,585
25,946	Samsung Biologics Co. Ltd., 144A[1]	20,434,057	19,298,766
1,908,919	Samsung Electronics Co., Ltd.	47,006,825	89,220,540
70,957	Samsung SDI Co. Ltd.	26,846,718	20,487,788
235,673	SK Hynix, Inc.	20,293,246	31,541,713
Total Korea, Republic of		354,243,872	523,485,872
Mexico (1.70%)			
7,253,938	Grupo Mexico S.A.B. de C.V., Series B	17,719,504	40,524,794
9,162,700	Wal-Mart de Mexico, S.A.B de C.V.	20,473,164	27,646,318
Total Mexico		38,192,668	68,171,112
Peru (1.30%)			
288,322	Credicorp, Ltd.	36,080,276	52,177,632
Philippines (1.77%)			
35,413,065	Ayala Land, Inc.	23,215,723	23,064,184
16,923,021	BDO Unibank, Inc.	29,908,779	47,920,414
Total Philippines		53,124,502	70,984,598
Poland (2.83%)			
308,253	Dino Polska SA, 144A[1]	27,526,581	28,086,341
4,529,358	InPost SA[1]	56,134,898	85,514,795
Total Poland		83,661,479	113,601,136

Baron Emerging Markets Fund — PORTFOLIO OF INVESTMENTS (Continued)

September 30, 2024

Shares		Cost	Value
Common Stocks (continued)			
Russia (0.00%)^			
17,949,100	Sberbank of Russia PJSC[1,2]	$ 64,430,586	$ 11,175
South Africa (1.40%)			
657,754	Gold Fields Ltd.	7,034,853	10,200,373
1,554,197	Gold Fields Ltd., ADR	15,780,385	23,856,924
91,001	Naspers Ltd., Cl N	12,865,755	22,068,897
Total South Africa		35,680,993	56,126,194
Spain (0.43%)			
1,791,760	Codere Online Luxembourg, S.A. Forward Shares[1]	17,917,600	14,316,162
358,352	Codere Online Luxembourg, S.A. Founders Shares[1]	3,116	2,863,233
26,518	Codere Online Luxembourg, S.A. Private Shares, Cl A[1]	265,181	211,879
Total Spain		18,185,897	17,391,274
Taiwan (12.72%)			
160,286	ASPEED Technology, Inc.	17,671,183	21,674,435
1,376,562	Chroma ATE, Inc.	13,924,500	16,162,132
4,931,040	Delta Electronics, Inc.	17,885,755	58,832,526
2,781,525	E Ink Holdings, Inc.	23,213,467	25,784,245
310,954	eMemory Technology, Inc.	25,724,446	25,592,656
9,547,705	Taiwan Semiconductor Manufacturing Co., Ltd.	172,621,476	287,902,700
431,085	Taiwan Semiconductor Manufacturing Co., Ltd., ADR	7,937,091	74,866,532
Total Taiwan		278,977,918	510,815,226
TOTAL COMMON STOCKS		**2,560,813,923**	**3,850,817,265**
Private Common Stocks (1.08%)			
India (1.08%)			
27,027	Pine Labs PTE. Ltd., Series 1[1,2]	10,077,362	10,907,286
6,833	Pine Labs PTE. Ltd., Series A[1,2]	2,547,771	2,757,594
7,600	Pine Labs PTE. Ltd., Series B[1,2]	2,833,757	3,067,132
6,174	Pine Labs PTE. Ltd., Series B2[1,2]	2,302,055	2,491,641
9,573	Pine Labs PTE. Ltd., Series C[1,2]	3,569,416	3,863,376
1,932	Pine Labs PTE. Ltd., Series C1[1,2]	720,371	779,697
2,459	Pine Labs PTE. Ltd., Series D[1,2]	916,870	992,379
45,680	Pine Labs PTE. Ltd., Series J[1,2]	17,032,398	18,435,078
TOTAL PRIVATE COMMON STOCKS		**40,000,000**	**43,294,183**
Private Convertible Preferred Stocks (3.23%)			
India (3.23%)			
11,578	Swiggy Private Ltd., Series K (formerly, Bundl Technologies Private Ltd.)[1,2]	76,776,872	129,605,556
15,334	Think & Learn Private Limited, Series F[1,2]	49,776,072	75,127
TOTAL PRIVATE CONVERTIBLE PREFERRED STOCKS		**126,552,944**	**129,680,683**

Shares		Cost	Value
Warrants (0.00%)^			
Spain (0.00%)^			
13,259	Codere Online Luxembourg S.A. Private Shares Exp. 11/30/2026 exercise price USD 11.50[1]	**$ 0**	**$ 13,126**
Principal Amount			
Short-Term Investments (1.17%)			
$47,165,107	Repurchase Agreement with Fixed Income Clearing Corp., dated 9/30/2024, 4.35% due 10/1/2024; Proceeds at maturity $47,170,806; (Fully Collateralized by $48,909,200 U.S. Treasury Note, 0.625% due 8/15/2030 Market value - $41,383,716 and Fully Collateralized by $6,732,400 U.S. Treasury Note, 3.50% due 9/30/2026 Market value - $6,724,779)	**47,165,107**	**47,165,107**
TOTAL INVESTMENTS (101.35%)		**$2,774,531,974**	**4,070,970,364**
LIABILITIES LESS CASH AND OTHER ASSETS (-1.35%)			**(54,291,230)**
NET ASSETS			**$4,016,679,134**

% Represents percentage of net assets.
^ Rounds to less than 0.01%.
1 Non-income producing securities.
2 At September 30, 2024, the market value of restricted securities amounted to $172,986,041 or 4.31% of net assets.
ADR American Depositary Receipt.
144A Security is exempt from registration pursuant to Rule 144A under the Securities Act of 1933. This security may be resold in transactions that are exempt from registration, normally to qualified institutional buyers. At September 30, 2024, the market value of Rule 144A securities amounted to $280,553,314 or 6.98% of net assets.

Summary of Investments by Sector as of September 30, 2024	Percentage of Total Investments
Consumer Discretionary	20.3%
Information Technology	19.7%
Industrials	16.3%
Financials	14.9%
Communication Services	11.3%
Consumer Staples	6.1%
Materials	4.1%
Health Care	2.7%
Energy	1.8%
Real Estate	1.6%
Utilities	1.3%
	100.0%**

* Includes short-term investments, other assets and liabilities-net.
** Individual weights may not sum to 100% due to rounding.

Baron Global Advantage Fund — PORTFOLIO OF INVESTMENTS

September 30, 2024

Shares		Cost	Value
Common Stocks (92.50%)			
Argentina (11.97%)			
65,378	Globant S.A.[1]	$ 4,366,418	$ 12,953,997
26,391	MercadoLibre, Inc.[1]	13,740,358	54,153,276
Total Argentina		18,106,776	67,107,273
Brazil (1.72%)			
565,202	Afya Ltd., Cl A[1]	10,371,820	9,647,998
Canada (8.69%)			
608,074	Shopify, Inc., Cl A[1]	22,565,096	48,731,050
China (1.01%)			
42,192	PDD Holdings, Inc.[1]	5,957,107	5,687,904
India (7.16%)			
203,149	Bajaj Finance Limited	11,299,075	18,664,915
6,607,712	Zomato Ltd.[1]	10,977,766	21,507,241
Total India		22,276,841	40,172,156
Israel (4.41%)			
325,519	Fiverr International Ltd.[1]	7,393,738	8,421,177
97,394	Wix.com Ltd.[1]	8,241,014	16,281,355
Total Israel		15,634,752	24,702,532
Korea, Republic of (6.97%)			
1,592,430	Coupang, Inc., Cl A[1]	29,467,669	39,094,156
Netherlands (10.67%)			
8,934	Adyen N.V., 144A[1]	6,863,044	13,987,239
48,827	argenx SE, ADR[1]	2,918,653	26,468,140
23,273	ASML Holding N.V.	4,319,539	19,359,874
Total Netherlands		14,101,236	59,815,253
Poland (2.47%)			
733,515	InPost SA[1]	8,201,625	13,848,847
Spain (1.72%)			
827,902	Codere Online Luxembourg S.A.[1]	7,576,156	6,614,937
271,380	Codere Online Luxembourg, S.A. Forward Shares[1]	2,713,800	2,168,326
104,612	Codere Online Luxembourg, S.A. Founders Shares[1]	910	835,850
Total Spain		10,290,866	9,619,113
Taiwan (1.02%)			
33,094	Taiwan Semiconductor Manufacturing Co., Ltd., ADR	5,389,735	5,747,435
United Kingdom (2.48%)			
544,180	Endava plc, ADR[1]	21,242,862	13,898,357
United States (32.21%)			
139,157	Bill.Com Holdings, Inc.[1]	5,551,114	7,341,923
175,366	Block, Inc.[1]	14,194,089	11,772,320
352,587	Cloudflare, Inc., Cl A[1]	7,887,400	28,520,763
28,837	Crowdstrike Holdings, Inc., Cl A[1]	1,475,262	8,087,913
164,029	Datadog, Inc., Cl A[1]	6,822,070	18,873,177

Shares		Cost	Value
Common Stocks (continued)			
United States (continued)			
387,028	GDS Holdings Ltd., ADR[1]	$ 4,436,268	$ 7,895,371
154	GRAIL, Inc.[1]	7,341	2,119
49,941	Illumina, Inc.[1]	6,073,385	6,512,806
1,038,736	indie Semiconductor, Inc., Cl A[1]	6,502,698	4,144,557
417,545	NVIDIA Corp.	7,913,089	50,706,665
121,956	Snowflake, Inc., Cl A[1]	14,634,720	14,007,866
22,053	Tesla, Inc.[1]	5,086,633	5,769,726
74,811	Viking Therapeutics, Inc.[1]	4,953,838	4,736,284
71,662	Zscaler, Inc.[1]	3,298,074	12,249,902
Total United States		88,835,981	180,621,392
TOTAL COMMON STOCKS		**272,442,366**	**518,693,466**
Private Common Stocks (6.64%)			
United States (6.64%)			
299,761	Farmers Business Network, Inc.[1,2]	12,250,007	557,556
252,130	Space Exploration Technologies Corp., Cl A[1,2]	11,571,518	28,238,560
75,250	Space Exploration Technologies Corp., Cl C[1,2]	3,428,124	8,428,000
TOTAL PRIVATE COMMON STOCKS		**27,249,649**	**37,224,116**
Private Convertible Preferred Stocks (0.01%)			
India (0.01%)			
9,201	Think & Learn Private Limited, Series F[1,2]	**29,867,591**	**45,078**
Private Preferred Stocks (0.60%)			
United States (0.60%)			
461,004	GM Cruise Holdings LLC, Cl G[1,2]	**12,147,455**	**3,356,109**
Warrants (0.09%)			
Israel (0.01%)			
68,986	Innovid Corp., Exp. 12/31/2027 exercise price USD 11.50[1]	117,942	2,773
228,748	Taboola.com Ltd., Exp. 6/29/2026 exercise price USD 11.50[1]	417,100	29,738
Total Israel		535,042	32,511
Spain (0.08%)			
502,360	Codere Online Luxembourg S.A. Private Shares, Exp. 11/30/2026 exercise price USD 11.50[1]	845,632	497,336
TOTAL WARRANTS		**1,380,674**	**529,847**

Baron Global Advantage Fund — PORTFOLIO OF INVESTMENTS (Continued)

September 30, 2024

Principal Amount		Cost	Value
Short-Term Investments (0.33%)			
$1,874,137	Repurchase Agreement with Fixed Income Clearing Corp., dated 9/30/2024, 4.35% due 10/1/2024; Proceeds at maturity $1,874,364; (Fully Collateralized by $1,852,000 U.S. Treasury Note, 4.375% due 7/15/2027 Market value - $1,911,653)	**$ 1,874,137**	**$ 1,874,137**
TOTAL INVESTMENTS (100.17%)		**$344,961,872**	**561,722,753**
LIABILITIES LESS CASH AND OTHER ASSETS (-0.17%)			**(967,912)**
NET ASSETS			**$560,754,841**

% Represents percentage of net assets.

1 Non-income producing securities.

2 At September 30, 2024, the market value of restricted securities amounted to $40,625,303 or 7.24% of net assets.

ADR American Depositary Receipt.

144A Security is exempt from registration pursuant to Rule 144A under the Securities Act of 1933. This security may be resold in transactions that are exempt from registration, normally to qualified institutional buyers. At September 30, 2024, the market value of Rule 144A securities amounted to $13,987,239 or 2.49% of net assets.

Summary of Investments by Sector as of September 30, 2024	Percentage of Net Assets
Information Technology	47.9%
Consumer Discretionary	26.0%
Industrials	11.1%
Financials	7.9%
Health Care	6.7%
Materials	0.1%
Communication Services	0.0%^
Cash and Cash Equivalents*	0.2%
	100.0%**

^ Rounds to less than 0.1%.

* Includes short-term investments, other assets and liabilities-net.

** Individual weights may not sum to 100% due to rounding.

Baron Discovery Fund — PORTFOLIO OF INVESTMENTS

September 30, 2024

Shares		Cost	Value
Common Stocks (98.08%)			
Communication Services (4.49%)			
	Advertising (0.61%)		
150,000	Ibotta, Inc., Cl A[1]	$ 14,649,029	$ 9,241,500
	Interactive Media & Services (0.61%)		
138,143	Reddit, Inc., Cl A[1]	4,696,862	9,106,387
	Movies & Entertainment (3.27%)		
185,000	Liberty Media Corporation-Liberty Formula One, Cl A[1]	5,408,362	13,233,050
700,000	Liberty Media Corporation-Liberty Live Cl C[1]	24,701,179	35,931,000
		30,109,541	49,164,050
Total Communication Services		49,455,432	67,511,937
Consumer Discretionary (11.31%)			
	Casinos & Gaming (4.65%)		
1,235,000	DraftKings, Inc., Cl A[1]	23,984,451	48,412,000
395,000	Red Rock Resorts, Inc., Cl A	14,152,337	21,503,800
		38,136,788	69,915,800
	Footwear (1.17%)		
350,000	On Holding AG, Cl A[1,2]	7,945,300	17,552,500
	Home Improvement Retail (2.48%)		
300,000	Floor & Decor Holdings, Inc., Cl A[1]	9,074,455	37,251,000
	Homefurnishing Retail (0.66%)		
30,000	RH[1]	7,459,296	10,032,900
	Restaurants (2.35%)		
200,000	Texas Roadhouse, Inc.	17,901,519	35,320,000
Total Consumer Discretionary		80,517,358	170,072,200
Financials (3.50%)			
	Insurance Brokers (1.18%)		
650,000	TWFG, Inc.[1]	12,559,525	17,628,000
	Property & Casualty Insurance (2.32%)		
75,000	Kinsale Capital Group, Inc.	3,355,498	34,917,750
Total Financials		15,915,023	52,545,750
Health Care (19.93%)			
	Health Care Equipment (7.28%)		
766,956	Inari Medical, Inc.[1]	38,490,107	31,629,265
104,000	Inspire Medical Systems, Inc.[1]	22,298,541	21,949,200
158,000	Integer Holdings Corp.[1]	18,388,085	20,540,000
265,000	Masimo Corp.[1]	35,939,618	35,332,450
		115,116,351	109,450,915
	Health Care Supplies (1.07%)		
374,085	Establishment Labs Holdings, Inc.[1,2]	21,711,676	16,186,658

Shares		Cost	Value
Common Stocks (continued)			
Health Care (continued)			
	Life Sciences Tools & Services (11.58%)		
1,433,622	CareDx, Inc.[1,3]	$ 14,322,669	$ 44,764,847
480,000	Exact Sciences Corp.[1,3]	20,906,055	32,697,600
1,629,676	Maravai LifeSciences Holdings, Inc., Cl A[1]	15,496,854	13,542,607
122,500	Repligen Corp.[1]	19,531,284	18,230,450
1,181,429	Stevanato Group SpA[2]	30,544,201	23,628,580
205,775	Tempus AI, Inc., Cl A[1]	5,608,411	11,646,865
868,790	Veracyte, Inc.[1,3]	22,690,855	29,573,612
		129,100,329	174,084,561
Total Health Care		265,928,356	299,722,134
Industrials (22.20%)			
	Aerospace & Defense (9.45%)		
144,095	Axon Enterprise, Inc.[1]	15,830,703	57,580,362
1,942,158	Kratos Defense & Security Solutions, Inc.[1]	26,482,410	45,252,281
69,330	Loar Holdings, Inc.[1]	1,941,240	5,171,325
920,380	Mercury Systems, Inc.[1]	33,144,240	34,054,060
		77,398,593	142,058,028
	Building Products (1.96%)		
150,000	AAON, Inc.	10,827,091	16,176,000
200,000	Trex Co., Inc.[1]	7,842,211	13,316,000
		18,669,302	29,492,000
	Diversified Support Services (0.20%)		
146,576	ACV Auctions, Inc., Cl A[1]	2,937,630	2,979,890
	Environmental & Facilities Services (1.64%)		
938,493	Montrose Environmental Group, Inc.[1]	21,141,021	24,682,366
	Human Resource & Employment Services (2.24%)		
550,000	Dayforce, Inc.[1]	29,611,830	33,687,500
	Industrial Machinery & Supplies & Components (4.20%)		
250,000	Chart Industries, Inc.[1]	34,324,239	31,035,000
375,000	Enerpac Tool Group Corp., Cl A	14,358,665	15,708,750
55,000	RBC Bearings, Inc.[1]	11,183,890	16,465,900
		59,866,794	63,209,650
	Trading Companies & Distributors (2.51%)		
250,000	SiteOne Landscape Supply, Inc.[1]	19,535,166	37,727,500
Total Industrials		229,160,336	333,836,934
Information Technology (34.47%)			
	Application Software (12.29%)		
600,000	Alkami Technology, Inc.[1]	13,160,839	18,924,000
1,500,000	Clearwater Analytics Holdings, Inc., Cl A[1]	25,944,978	37,875,000
677,889	Gitlab, Inc., Cl A[1,3]	25,647,628	34,938,399
235,357	Guidewire Software, Inc.[1]	18,259,547	43,056,210
625,000	Intapp, Inc.[1]	22,553,288	29,893,750
325,000	Procore Technologies, Inc.[1]	21,170,513	20,059,000
		126,736,793	184,746,359

Baron Discovery Fund — PORTFOLIO OF INVESTMENTS (Continued)

September 30, 2024

Shares		Cost	Value
Common Stocks (continued)			
Information Technology (continued)			
	Electronic Equipment & Instruments (6.25%)		
395,321	Advanced Energy Industries, Inc.	$ 27,937,769	$ 41,603,582
74,131	Novanta, Inc.[1,2]	8,196,882	13,263,519
750,000	PAR Technology Corp.[1]	25,153,503	39,060,000
		61,288,154	93,927,101
	IT Consulting & Other Services (1.65%)		
266,131	ASGN, Inc.[1]	24,704,923	24,811,393
	Semiconductor Materials & Equipment (1.43%)		
103,129	Nova Ltd.[1,2]	2,368,133	21,485,896
	Semiconductors (2.26%)		
4,057,493	indie Semiconductor, Inc., Cl A[1]	34,900,206	16,189,397
104,000	SiTime Corp.[1]	10,725,454	17,837,040
		45,625,660	34,026,437
	Systems Software (10.59%)		
1,070,100	Couchbase, Inc.[1,3]	20,819,110	17,250,012
160,200	CyberArk Software Ltd.[1,2]	20,574,697	46,715,922
430,775	Dynatrace, Inc.[1,3]	10,425,484	23,033,539
1,575,000	SentinelOne, Inc., Cl A[1]	24,893,625	37,674,000
611,000	Varonis Systems, Inc.[1]	13,653,727	34,521,500
		90,366,643	159,194,973
Total Information Technology		351,090,306	518,192,159
Real Estate (2.18%)			
	Industrial REITs (2.18%)		
650,000	Rexford Industrial Realty, Inc.	31,657,136	32,701,500
TOTAL COMMON STOCKS		**1,023,723,947**	**1,474,582,614**

Principal Amount		Cost	Value
Short-Term Investments (1.81%)			
$27,242,120	Repurchase Agreement with Fixed Income Clearing Corp., dated 9/30/2024, 4.35% due 10/1/2024; Proceeds at maturity $27,245,412; (Fully Collateralized by $25,485,400 U.S. Treasury Note, 4.375% due 7/15/2027 Market value - $26,306,072 and fully Collateralized by $1,482,600 U.S. Treasury Note, 3.50% due 9/30/2026 Market value - $1,480,921)	**$ 27,242,120**	**$ 27,242,120**
TOTAL INVESTMENTS (99.89%)		**$1,050,966,067**	**1,501,824,734**
CASH AND OTHER ASSETS LESS LIABILITIES (0.11%)			**1,728,823**
NET ASSETS			**$1,503,553,557**

% Represents percentage of net assets.
1 Non-income producing securities.
2 Foreign corporation.
3 The Adviser has reclassified/classified certain securities in or out of this sub-industry. Such reclassifications/classifications are not supported by S&P or MSCI.

Baron Durable Advantage Fund — PORTFOLIO OF INVESTMENTS

September 30, 2024

Shares		Cost	Value
Common Stocks (96.70%)			
Communication Services (10.84%)			
	Interactive Media & Services (10.84%)		
110,791	Alphabet, Inc., Cl C	$ 14,618,145	$ 18,523,147
57,053	Meta Platforms, Inc., Cl A	17,492,254	32,659,420
Total Communication Services		32,110,399	51,182,567
Consumer Discretionary (6.39%)			
	Broadline Retail (6.39%)		
161,969	Amazon.com, Inc.[1]	23,545,746	30,179,684
Consumer Staples (1.39%)			
	Consumer Staples Merchandise Retail (1.39%)		
7,370	Costco Wholesale Corp.	4,068,669	6,533,652
Financials (29.42%)			
	Asset Management & Custody Banks (6.00%)		
97,042	Blackstone, Inc.	11,094,591	14,860,041
253,265	Brookfield Corp., Cl A[2]	9,805,361	13,461,035
		20,899,952	28,321,076
	Diversified Financial Services (3.10%)		
117,429	Apollo Global Management, Inc.	12,322,464	14,668,056
	Financial Exchanges & Data (10.86%)		
21,113	CME Group, Inc.	4,120,848	4,658,584
33,741	Moody's Corp.	12,212,562	16,013,141
18,137	MSCI, Inc.	9,108,981	10,572,601
38,811	S&P Global, Inc.	15,626,793	20,050,539
		41,069,184	51,294,865
	Investment Banking & Brokerage (1.62%)		
32,846	LPL Financial Holdings, Inc.	7,731,961	7,640,965
	Property & Casualty Insurance (2.09%)		
88,182	Arch Capital Group Ltd.[1,2]	5,523,458	9,865,802
	Transaction & Payment Processing Services (5.75%)		
23,590	MasterCard, Incorporated, Cl A	9,517,135	11,648,742
56,371	Visa, Inc., Cl A	14,182,647	15,499,207
		23,699,782	27,147,949
Total Financials		111,246,801	138,938,713
Health Care (10.77%)			
	Life Sciences Tools & Services (8.06%)		
36,526	Agilent Technologies, Inc.	4,676,303	5,423,381
42,419	Danaher Corp.	9,735,316	11,793,330
4,982	Mettler-Toledo International, Inc.[1]	6,246,556	7,471,505
21,635	Thermo Fisher Scientific, Inc.	11,477,399	13,382,762
		32,135,574	38,070,978
	Managed Health Care (2.71%)		
21,890	UnitedHealth Group, Incorporated	10,438,326	12,798,645
Total Health Care		42,573,900	50,869,623

Shares		Cost	Value
Common Stocks (continued)			
Industrials (5.77%)			
	Aerospace & Defense (4.52%)		
63,732	HEICO Corp., Cl A	$ 9,083,173	$ 12,986,032
5,859	TransDigm Group, Inc.[1]	8,089,880	8,361,555
		17,173,053	21,347,587
	Research & Consulting Services (1.25%)		
36,154	Booz Allen Hamilton Holding Corp.	5,756,888	5,884,425
Total Industrials		22,929,941	27,232,012
Information Technology (29.67%)			
	Application Software (4.13%)		
19,136	Adobe, Inc.[1]	9,447,650	9,908,238
15,471	Intuit, Inc.	8,012,689	9,607,491
		17,460,339	19,515,729
	IT Consulting & Other Services (1.80%)		
24,078	Accenture plc, Cl A[2]	7,728,442	8,511,091
	Semiconductors (15.72%)		
107,620	Broadcom, Inc.	14,476,414	18,564,450
8,503	Monolithic Power Systems, Inc.	3,697,232	7,861,024
180,820	NVIDIA Corp.	7,499,897	21,958,781
110,327	Taiwan Semiconductor Manufacturing Co., Ltd., ADR[2]	14,563,570	19,160,490
32,488	Texas Instruments, Inc.	5,702,070	6,711,046
		45,939,183	74,255,791
	Systems Software (8.02%)		
87,961	Microsoft Corporation	30,893,594	37,849,618
Total Information Technology		102,021,558	140,132,229
Real Estate (2.45%)			
	Industrial REITs (0.51%)		
30,473	Lineage, Inc.	2,376,894	2,388,474
	Real Estate Services (1.94%)		
121,795	CoStar Group, Inc.[1]	10,673,238	9,188,215
Total Real Estate		13,050,132	11,576,689
TOTAL COMMON STOCKS		**351,547,146**	**456,645,169**
Principal Amount			
Short-Term Investments (3.82%)			
$18,062,637	Repurchase Agreement with Fixed Income Clearing Corp., dated 9/30/2024, 4.35% due 10/1/2024; Proceeds at maturity $18,064,819; (Fully Collateralized by $18,444,800 U.S. Treasury Note, 3.50% due 9/30/2026 Market value - $18,423,922)	**18,062,637**	**18,062,637**
TOTAL INVESTMENTS (100.52%)		**$369,609,783**	**474,707,806**
LIABILITIES LESS CASH AND OTHER ASSETS (-0.52%)			**(2,442,671)**
NET ASSETS			**$472,265,135**

% Represents percentage of net assets.
[1] Non-income producing securities.
[2] Foreign corporation.
ADR American Depositary Receipt.

Baron Real Estate Income Fund — PORTFOLIO OF INVESTMENTS

September 30, 2024

Shares		Cost	Value
Common Stocks (98.42%)			
Consumer Discretionary (6.24%)			
	Home Improvement Retail (1.54%)		
10,017	Lowe's Companies, Inc.	$ 2,378,126	$ 2,713,104
	Homebuilding (3.40%)		
16,324	Lennar Corp., Cl A	2,469,899	3,060,424
19,119	Toll Brothers, Inc.	1,249,663	2,953,694
		3,719,562	6,014,118
	Hotels, Resorts & Cruise Lines (1.30%)		
9,937	Hilton Worldwide Holdings, Inc.	1,944,442	2,290,479
Total Consumer Discretionary		8,042,130	11,017,701
Financials (7.07%)			
	Asset Management & Custody Banks (7.07%)		
28,288	Blackstone, Inc.	3,722,286	4,331,741
89,917	Brookfield Corp., Cl A[2]	3,768,831	4,779,089
71,395	Brookfield Asset Management Ltd., Cl A[2]	2,577,527	3,376,270
Total Financials		10,068,644	12,487,100
Information Technology (4.98%)			
	Internet Services & Infrastructure (4.98%)		
431,208	GDS Holdings Ltd., ADR[1,2]	3,840,212	8,796,643
Real Estate (80.13%)			
	Data Center REITs (14.74%)		
56,491	Digital Realty Trust, Inc.	6,408,002	9,141,938
19,036	Equinix, Inc.	14,323,890	16,896,925
		20,731,892	26,038,863
	Health Care REITs (15.61%)		
192,913	Healthpeak Properties, Inc.	3,531,198	4,411,920
127,028	Ventas, Inc.	6,828,904	8,146,306
117,281	Welltower, Inc.	9,126,708	15,015,486
		19,486,810	27,573,712
	Hotel & Resort REITs (4.21%)		
319,294	Park Hotels & Resorts, Inc.	4,790,345	4,502,045
27,320	Ryman Hospitality Properties, Inc.	2,887,107	2,929,797
		7,677,452	7,431,842
	Industrial REITs (10.27%)		
58,770	First Industrial Realty Trust, Inc.	3,074,277	3,289,945
24,352	Lineage, Inc.	1,927,329	1,908,710
50,891	Prologis, Inc.	5,249,674	6,426,515
78,776	Rexford Industrial Realty, Inc.	3,798,127	3,963,220
218,202	Segro PLC (United Kingdom[2]	2,629,588	2,557,437
		16,678,995	18,145,827
	Multi-Family Residential REITs (8.38%)		
23,965	AvalonBay Communities, Inc.	4,288,529	5,398,116
82,338	Equity Residential	4,908,872	6,130,887
159,249	Independence Realty Trust, Inc.	2,651,673	3,264,605
		11,849,074	14,793,608

Shares		Cost	Value
Common Stocks (continued)			
Real Estate (continued)			
	Office REITs (5.72%)		
256,494	Vornado Realty Trust	$ 8,132,851	$ 10,105,864
	Other Specialized REITs (1.83%)		
27,155	Iron Mountain, Inc.	3,204,769	3,226,829
	Retail REITs (11.87%)		
61,236	Agree Realty Corp.	4,205,633	4,612,908
164,285	Brixmor Property Group, Inc.	4,352,517	4,576,980
11,548	Federal Realty Investment Trust	1,210,879	1,327,673
417,136	Macerich Co.	6,576,536	7,608,561
16,846	Simon Property Group, Inc.	2,200,133	2,847,311
		18,545,698	20,973,433
	Single-Family Residential REITs (4.38%)		
132,869	American Homes 4 Rent, Cl A	4,523,131	5,100,841
74,803	Invitation Homes, Inc.	2,435,427	2,637,554
		6,958,558	7,738,395
	Telecom Tower REITs (3.12%)		
23,670	American Tower Corp.	3,932,103	5,504,695
Total Real Estate		117,198,202	141,533,068
TOTAL COMMON STOCKS		**139,149,188**	**173,834,512**

Principal Amount		Cost	Value
Short-Term Investments (1.41%)			
$2,484,638	Repurchase Agreement with Fixed Income Clearing Corp., dated 9/30/2024, 4.35% due 10/1/2024; Proceeds at maturity $2,484,938; (Fully Collateralized by $2,537,300 U.S. Treasury Note, 3.50% due 9/30/2026 Market value - $2,534,521)	**2,484,638**	**2,484,638**
TOTAL INVESTMENTS (99.83%)		**$141,633,826**	**176,319,150**
CASH AND OTHER ASSETS LESS LIABILITIES (0.17%)			**303,636**
NET ASSETS			**$176,622,786**

% Represents percentage of net assets.
[1] Non-income producing securities.
[2] Foreign corporation.
[ADR] American Depositary Receipt.

Baron WealthBuilder Fund — PORTFOLIO OF INVESTMENTS

September 30, 2024

Shares		Cost	Value
Affiliated Mutual Funds (100.03%)			
Small Cap Funds (32.16%)			
857,172	Baron Discovery Fund - Institutional Shares	$ 21,272,072	$ 26,289,472
735,878	Baron Growth Fund - Institutional Shares	68,866,296	80,056,170
1,886,455	Baron Small Cap Fund - Institutional Shares	60,176,980	70,760,920
Total Small Cap Funds		150,315,348	177,106,562
Small/Mid Cap Funds (6.61%)			
842,345	Baron Focused Growth Fund - Institutional Shares	26,674,857	36,389,318
Mid Cap Funds (10.14%)			
484,557	Baron Asset Fund - Institutional Shares	42,677,825	55,835,544
Large Cap Funds (8.16%)			
652,266	Baron Durable Advantage Fund - Institutional Shares	10,074,430	18,139,513
501,147	Baron Fifth Avenue Growth Fund - Institutional Shares	16,838,772	26,786,309
Total Large Cap Funds		26,913,202	44,925,822
All Cap Funds (18.65%)			
581,934	Baron Opportunity Fund - Institutional Shares	13,988,609	27,397,457
432,769	Baron Partners Fund - Institutional Shares	36,797,538	75,340,706
Total All Cap Funds		50,786,147	102,738,163
Non-U.S./Global Funds (9.67%)			
991,733	Baron Emerging Markets Fund - Institutional Shares	13,976,061	16,145,416
572,645	Baron Global Advantage Fund - Institutional Shares	15,201,850	20,380,441
581,731	Baron International Growth Fund - Institutional Shares	15,348,648	16,742,219
Total Non-U.S./Global Funds		44,526,559	53,268,076
Sector Funds (14.64%)			
948,029	Baron FinTech Fund - Institutional Shares	12,919,749	15,765,718
747,514	Baron Health Care Fund - Institutional Shares	13,045,301	15,922,040
873,641	Baron Real Estate Fund - Institutional Shares	28,843,455	36,151,246
767,045	Baron Real Estate Income Fund - Institutional Shares	11,962,798	12,794,312
Total Sector Funds		66,771,303	80,633,316
TOTAL AFFILIATED MUTUAL FUNDS (100.03%)		$408,665,241	550,896,801
LIABILITIES LESS CASH AND OTHER ASSETS (-0.03%)			(174,360)
NET ASSETS			$550,722,441

% Represents percentage of net assets.

Baron Health Care Fund — PORTFOLIO OF INVESTMENTS

September 30, 2024

Shares		Cost	Value
Common Stocks (96.33%)			
Health Care (96.33%)			
	Biotechnology (26.09%)		
110,000	Arcellx, Inc.[1]	$ 5,504,329	$ 9,186,100
23,555	argenx SE, ADR[1,2]	8,176,329	12,768,694
45,000	Biohaven Ltd.[1,2]	1,621,272	2,248,650
10,000	BioNTech SE, ADR[1,2]	1,231,135	1,187,700
30,000	Immunovant, Inc. [1]	1,018,301	855,300
40,500	Insmed, Inc.[1]	2,999,147	2,956,500
25,000	Kymera Therapeutics, Inc.[1]	1,170,441	1,183,250
32,500	Legend Biotech Corp., ADR[1,2]	1,588,706	1,583,725
4,500	Regeneron Pharmaceuticals, Inc.[1]	5,075,854	4,730,580
155,000	Rocket Pharmaceuticals, Inc.[1]	2,608,904	2,862,850
48,000	Ultragenyx Pharmaceutical, Inc.[1]	2,749,735	2,666,400
31,000	Vaxcyte, Inc.[1]	3,492,315	3,542,370
23,000	Vertex Pharmaceuticals, Incorporated[1]	5,946,486	10,696,840
27,500	Viking Therapeutics, Inc.[1]	617,174	1,741,025
100,100	Xenon Pharmaceuticals, Inc.[1,2]	3,651,406	3,940,937
		47,451,534	62,150,921
	Health Care Equipment (19.22%)		
159,000	Boston Scientific Corp.[1]	8,552,673	13,324,200
15,000	DexCom, Inc.[1]	1,665,388	1,005,600
20,000	Glaukos Corp.[1]	1,931,207	2,605,600
6,995	IDEXX Laboratories, Inc.[1]	2,933,297	3,534,014
12,000	Inspire Medical Systems, Inc.[1]	1,660,719	2,532,600
30,233	Intuitive Surgical, Inc.[1]	7,267,519	14,852,566
22,000	Stryker Corp.	6,547,461	7,947,720
		30,558,264	45,802,300
	Health Care Facilities (5.41%)		
18,300	HCA Healthcare, Inc.	4,144,546	7,437,669
40,000	Surgery Partners, Inc.[1]	1,228,760	1,289,600
25,000	Tenet Healthcare Corp.[1]	3,432,096	4,155,000
		8,805,402	12,882,269
	Health Care Services (1.02%)		
35,000	RadNet, Inc.[1]	1,643,218	2,428,650
	Health Care Supplies (3.24%)		
70,000	The Cooper Companies, Inc.[1]	6,104,272	7,723,800
	Life Sciences Tools & Services (16.64%)		
32,000	Bio-Techne Corporation	2,382,808	2,557,760
30,000	Danaher Corp.	7,535,467	8,340,600
23,000	ICON plc[1,2]	4,993,430	6,608,130
2,150	Mettler-Toledo International, Inc.[1]	2,131,520	3,224,355
35,000	Natera, Inc. [1]	2,256,724	4,443,250
20,000	Thermo Fisher Scientific, Inc.	10,039,092	12,371,400
7,000	West Pharmaceutical Services, Inc.	1,944,516	2,101,120
		31,283,557	39,646,615

Shares		Cost	Value
Common Stocks (continued)			
Health Care (continued)			
	Managed Health Care (11.12%)		
11,600	Elevance Health, Inc.	$ 5,523,931	$ 6,032,000
35,000	UnitedHealth Group, Incorporated	12,983,927	20,463,800
		18,507,858	26,495,800
	Pharmaceuticals (13.59%)		
35,000	AstraZeneca PLC, ADR[2]	2,030,211	2,726,850
23,000	Eli Lilly & Co.	5,011,209	20,376,620
52,400	Merck & Co., Inc.	4,424,126	5,950,544
17,000	Zoetis, Inc.	2,512,788	3,321,460
		13,978,334	32,375,474
TOTAL COMMON STOCKS		**158,332,439**	**229,505,829**

Principal Amount		Cost	Value
Short-Term Investments (4.22%)			
$10,060,707	Repurchase Agreement with Fixed Income Clearing Corp., dated 9/30/2024, 4.35% due 10/1/2024; Proceeds at maturity $10,061,923; (Fully Collateralized by $9,941,800 U.S. Treasury Note, 4.375% due 7/15/2027 Market value - $10,261,953)	**10,060,707**	**10,060,707**
TOTAL INVESTMENTS (100.55%)		**$168,393,146**	**239,566,536**
LIABILITIES LESS CASH AND OTHER ASSETS (-0.55%)			**(1,312,886)**
NET ASSETS			**$238,253,650**

% Represents percentage of net assets.
[1] Non-income producing securities.
[2] Foreign corporation.
[3] The Adviser has reclassified/classified certain securities in or out of this sub-industry. Such reclassifications/classifications are not supported by S&P or MSCI.
[ADR] American Depositary Receipt.

Baron FinTech Fund — PORTFOLIO OF INVESTMENTS

September 30, 2024

Shares		Cost	Value
Common Stocks (98.59%)			
Consumer Discretionary (4.20%)			
	Broadline Retail (4.20%)		
1,360	MercadoLibre, Inc.[1]	$ 2,009,501	$ 2,790,665
Financials (69.62%)			
	Asset Management & Custody Banks (5.05%)		
1,200	BlackRock, Inc.	897,601	1,139,412
17,000	KKR & Co., Inc.	1,886,896	2,219,860
		2,784,497	3,359,272
	Diversified Banks (2.67%)		
130,000	NU Holdings Ltd., Cl A[1,2]	1,051,999	1,774,500
	Diversified Financial Services (3.76%)		
20,000	Apollo Global Management, Inc.	1,447,751	2,498,200
	Financial Exchanges & Data (20.27%)		
5,000	CME Group, Inc.	1,025,662	1,103,250
3,000	FactSet Research Systems, Inc.	1,238,688	1,379,550
4,000	Moody's Corp.	1,417,488	1,898,360
5,200	Morningstar, Inc.	1,144,198	1,659,424
3,150	MSCI, Inc.	1,353,379	1,836,229
6,430	S&P Global, Inc.	2,525,093	3,321,867
18,379	Tradeweb Markets, Inc., Cl A	1,504,323	2,272,931
		10,208,831	13,471,611
	Insurance Brokers (1.35%)		
10,000	Baldwin Insurance Group, Inc. Cl A[1]	287,121	498,000
14,800	TWFG, Inc.[1]	253,845	401,376
		540,966	899,376
	Investment Banking & Brokerage (7.74%)		
10,400	Houlihan Lokey, Inc.	783,437	1,643,408
10,000	Interactive Brokers Group, Inc., Cl A	802,280	1,393,600
5,700	LPL Financial Holdings, Inc.	951,560	1,325,991
12,000	The Charles Schwab Corp.	890,643	777,720
		3,427,920	5,140,719
	Life & Health Insurance (0.84%)		
2,100	Primerica, Inc.	532,495	556,815
	Property & Casualty Insurance (8.66%)		
18,500	Arch Capital Group Ltd.[1,2]	1,532,657	2,069,780
1,600	Kinsale Capital Group, Inc.	270,056	744,912
11,600	The Progressive Corp.	1,397,264	2,943,616
		3,199,977	5,758,308
	Transaction & Payment Processing Services (19.28%)		
13,908	Block, Inc.[1]	2,510,342	933,644
13,300	Fiserv, Inc.[1]	1,426,580	2,389,345
8,000	Global Payments, Inc.	977,388	819,360
6,000	Jack Henry & Associates, Inc.	999,874	1,059,240
6,000	MasterCard, Incorporated, Cl A	2,060,483	2,962,800
8,000	Repay Holdings Corporation[1]	141,092	65,280
10,000	Visa, Inc., Cl A	2,101,899	2,749,500
3,500	WEX, Inc.[1]	713,140	734,055
122,000	Wise PLC, Cl A (United Kingdom)[1,2]	1,404,362	1,096,980
		12,335,160	12,810,204
Total Financials		35,529,596	46,269,005

Shares		Cost	Value
Common Stocks (continued)			
Industrials (5.36%)			
	Research & Consulting Services (5.36%)		
2,900	Equifax, Inc.	$ 633,359	$ 852,194
10,000	TransUnion	967,668	1,047,000
6,200	Verisk Analytics, Inc.	1,183,525	1,661,352
Total Industrials		2,784,552	3,560,546
Information Technology (18.39%)			
	Application Software (14.63%)		
12,000	Alkami Technology, Inc.[1]	304,616	378,480
4,000	Bill.Com Holdings, Inc.[1]	452,074	211,040
20,000	Clearwater Analytics Holdings, Inc., Cl A[1]	483,870	505,000
1,400	Fair Isaac Corp.[1]	609,882	2,720,928
13,500	Guidewire Software, Inc.[1]	1,517,347	2,469,690
14,700	Intapp, Inc.[1]	645,301	703,101
4,400	Intuit, Inc.	1,634,342	2,732,400
		5,647,432	9,720,639
	Internet Services & Infrastructure (1.45%)		
12,000	Shopify, Inc., Cl A[1,2]	1,691,746	961,680
	IT Consulting & Other Services (2.31%)		
1,600	Accenture plc, Cl A[2]	383,949	565,568
25,830	CI&T, Inc., Cl A[1,2]	377,142	175,386
8,000	Endava plc, ADR[1,2]	431,104	204,320
3,000	Globant S.A.[1,2]	684,576	594,420
		1,876,771	1,539,694
Total Information Technology		9,215,949	12,222,013
Real Estate (1.02%)			
	Real Estate Services (1.02%)		
9,000	CoStar Group, Inc.[1]	771,264	678,960
TOTAL COMMON STOCKS		**50,310,862**	**65,521,189**

Principal Amount		Cost	Value
Short-Term Investments (1.60%)			
$1,060,838	Repurchase Agreement with Fixed Income Clearing Corp., dated 9/30/2024, 4.35% due 10/1/2024; Proceeds at maturity $1,060,966; (Fully Collateralized by $1,083,300 U.S. Treasury Note, 3.50% due 9/30/2026 Market value - $1,082,091)	**1,060,838**	**1,060,838**
TOTAL INVESTMENTS (100.19%)		$51,371,700	66,582,027
LIABILITIES LESS CASH AND OTHER ASSETS (-0.19%)			(126,717)
NET ASSETS			$66,455,310

% Represents percentage of net assets.
[1] Non-income producing securities.
[2] Foreign corporation.
ADR American Depositary Receipt.

Baron India Fund — PORTFOLIO OF INVESTMENTS

September 30, 2024

Shares		Cost	Value
Common Stocks (96.79%)			
Communication Services (16.73%)			
	Integrated Telecommunication Services (6.90%)		
76,959	Indus Towers Ltd.[1]	$ 292,143	$ 360,563
5,958	Tata Communications Ltd.	125,775	151,745
		417,918	512,308
	Movies & Entertainment (1.22%)		
10,949	Tips Industries Ltd.	68,319	90,614
	Wireless Telecommunication Services (8.61%)		
40,974	Bharti Airtel Ltd. PP	440,786	638,778
Total Communication Services		**927,023**	**1,241,700**
Consumer Discretionary (15.35%)			
	Apparel Retail (7.37%)		
6,050	Trent Ltd.	302,458	547,353
	Apparel, Accessories & Luxury Goods (0.74%)		
1,212	Titan Co. Ltd.	37,080	55,274
	Automobile Manufactures (2.10%)		
4,216	Mahindra & Mahindra Ltd.	117,233	155,606
	Automotive Parts & Equipment (0.69%)		
984	Tube Investments of India Ltd.	39,348	50,934
	Consumer Electronics (0.69%)		
314	Dixon Technologies India Ltd.	26,345	51,665
	Restaurants (3.76%)		
85,597	Zomato Ltd.[1]	116,375	278,607
Total Consumer Discretionary		**638,839**	**1,139,439**
Consumer Staples (5.36%)			
	Food Retail (0.92%)		
1,129	Avenue Supermarts Ltd., 144A[1]	72,474	68,651
	Packaged Foods & Meats (1.90%)		
9,874	Tata Consumer Products Ltd.	122,271	140,948
	Personal Care Products (2.54%)		
11,350	Godrej Consumer Products Ltd.	157,129	188,407
Total Consumer Staples		**351,874**	**398,006**
Energy (5.93%)			
	Oil & Gas Refining & Marketing (5.93%)		
12,517	Reliance Industries Limited	**431,233**	**440,385**
Financials (25.64%)			
	Asset Management & Custody Banks (0.90%)		
5,371	360 ONE WAM Ltd.	37,143	66,603
	Consumer Finance (5.04%)		
1,968	Bajaj Finance Limited	167,708	180,816
10,068	Cholamandalam Investment & Finance Co. Ltd.	166,463	193,254
		334,171	374,070
	Diversified Banks (9.50%)		
17,281	HDFC Bank Ltd.	347,197	355,891
23,006	ICICI Bank Ltd.	338,940	349,129
		686,137	705,020
	Diversified Financial Services (2.42%)		
43,057	Jio Financial Services Ltd.[1]	129,950	179,810
	Investment Banking & Brokerage (3.97%)		
140,285	JM Financial Limited	194,575	252,665
521	Nuvama Wealth Management Ltd.	34,455	42,045
		229,030	294,710
	Life & Health Insurance (2.30%)		
7,788	SBI Life Insurance Company Limited, 144A	148,525	171,037

Shares		Cost	Value
Common Stocks (continued)			
Financials (continued)			
	Specialized Finance (1.51%)		
9,897	CSL Finance Ltd.	$ 55,202	$ 50,452
9,296	REC Ltd.	62,333	61,540
		117,535	111,992
Total Financials		**1,682,491**	**1,903,242**
Health Care (4.16%)			
	Health Care Facilities (4.16%)		
35,407	Aster DM Healthcare Ltd., 144A	173,294	175,436
11,348	Max Healthcare Institute Ltd.	107,028	133,293
Total Health Care		**280,322**	**308,729**
Industrials (9.52%)			
	Aerospace & Defense (1.39%)		
30,295	Bharat Electronics Ltd.	110,750	103,222
	Construction & Engineering (1.66%)		
64,402	GMR Power & Urban Infra Ltd.[1]	59,827	122,979
	Construction Machinery & Heavy Transportation Equipment (0.64%)		
1,043	Cummins India Ltd.	47,282	47,421
	Electrical Components & Equipment (0.98%)		
31,450	Precision Wires India Ltd.	55,857	72,842
	Industrial Conglomerates (0.99%)		
855	Siemens Ltd.	70,968	73,905
	Industrial Machinery & Supplies & Components (2.46%)		
6,025	Kirloskar Oil Engines Ltd.	64,647	88,361
3,727	Shaily Engineering Plastics Ltd.	44,764	44,966
811	Thermax Ltd.	41,579	49,255
		150,990	182,582
	Passenger Airlines (1.40%)		
1,819	InterGlobe Aviation Ltd., 144A[1]	82,069	103,757
Total Industrials		**577,743**	**706,708**
Information Technology (7.21%)			
	Electronic Manufacturing Services (2.89%)		
3,312	Kaynes Technology India Ltd.[1]	133,552	214,249
	IT Consulting & Other Services (4.32%)		
6,306	Tata Consultancy Services Ltd.	325,331	321,092
Total Information Technology		**458,883**	**535,341**
Materials (3.43%)			
	Commodity Chemicals (2.38%)		
157,432	DCW Ltd.[1]	159,690	177,069
	Diversified Chemicals (0.45%)		
1,121	SRF Ltd.	35,446	33,426
	Specialty Chemicals (0.60%)		
1,797	Neogen Chemicals Ltd.	25,932	44,256
Total Materials		**221,068**	**254,751**
Real Estate (1.19%)			
	Real Estate Development (1.19%)		
2,342	Godrej Properties Ltd.[1]	**50,852**	**88,325**
Utilities (2.27%)			
	Electric Utilities (2.27%)		
39,980	Power Grid Corp. of India Ltd.	**151,642**	**168,619**
TOTAL COMMON STOCKS		**5,771,970**	**7,185,245**

Baron India Fund — PORTFOLIO OF INVESTMENTS (Continued)

September 30, 2024

Principal Amount		Cost	Value
Short-Term Investments (3.51%)			
$260,632	Repurchase Agreement with Fixed Income Clearing Corp., dated 9/30/2024, 4.35% due 10/1/2024; Proceeds at maturity $260,664; (Fully Collateralized by $266,200 U.S. Treasury Note, 3.50% due 9/30/2026 Market value - $265,952)	**$ 260,632**	**$ 260,632**
TOTAL INVESTMENTS (100.30%)		**$6,032,602**	**7,445,877**
LIABILITIES LESS CASH AND OTHER ASSETS (-0.30%)			**(22,076)**
NET ASSETS			**$7,423,801**

% Represents percentage of net assets.

[1] Non-income producing securities.

[144A] Security is exempt from registration pursuant to Rule 144A under the Securities Act of 1933. This security may be resold in transactions that are exempt from registration, normally to qualified institutional buyers. At September 30, 2024, the market value of Rule 144A securities amounted to $518,882 or 6.99% of net assets.

Baron Technology Fund — PORTFOLIO OF INVESTMENTS

September 30, 2024

Shares		Cost	Value
Common Stocks (96.13%)			
Communication Services (10.98%)			
	Advertising (2.28%)		
4,664	Ibotta, Inc., Cl A[1]	$ 387,209	$ 287,349
5,885	The Trade Desk, Inc., Cl A[1]	431,339	645,290
		818,548	932,639
	Interactive Media & Services (3.84%)		
1,319	Meta Platforms, Inc., Cl A	359,681	755,048
12,319	Reddit, Inc., Cl A[1]	712,071	812,069
		1,071,752	1,567,117
	Movies & Entertainment (4.86%)		
5,392	Spotify Technology SA[1,2]	1,419,288	1,987,114
Total Communication Services		3,309,588	4,486,870
Consumer Discretionary (15.98%)			
	Automobile Manufacturers (3.31%)		
5,166	Tesla, Inc.[1]	992,336	1,351,581
	Broadline Retail (8.59%)		
18,859	Amazon.com, Inc.[1]	3,134,264	3,513,997
	Education Services (3.22%)		
4,669	Duolingo, Inc.[1]	915,924	1,316,751
	Hotels, Resorts & Cruise Lines (0.86%)		
46,359	eDreams ODIGEO SA (Spain)[1,2]	339,190	351,427
Total Consumer Discretionary		5,381,714	6,533,756
Industrials (2.20%)			
	Aerospace & Defense (1.23%)		
1,259	Axon Enterprise, Inc.[1]	392,753	503,096
	Construction & Engineering (0.97%)		
1,326	Quanta Services, Inc.	340,873	395,347
Total Industrials		733,626	898,443
Information Technology (64.78%)			
	Application Software (7.56%)		
2,279	Cadence Design Systems, Inc.[1]	646,978	617,677
9,910	Gitlab, Inc., Cl A[1,3]	528,879	510,761
2,812	Guidewire Software, Inc.[1]	317,766	514,427
348	HubSpot, Inc.[1]	172,706	184,997
1,136	Intuit, Inc.	681,123	705,456
625	ServiceNow, Inc.[1,3]	420,701	558,994
		2,768,153	3,092,312
	Electronic Equipment & Instruments (2.96%)		
15,856	PAR Technology Corp.[1]	714,089	825,781
2,589	Park Systems Corp. (Korea, Republic of)[2]	342,878	382,990
		1,056,967	1,208,771
	Internet Services & Infrastructure (4.22%)		
46,855	GDS Holdings Ltd., ADR[1,2]	599,070	955,842
9,628	Shopify, Inc., Cl A[1,2]	708,271	771,588
		1,307,341	1,727,430
	IT Consulting & Other Services (2.01%)		
1,618	Gartner, Inc.[1]	680,160	819,938
	Semiconductor Materials & Equipment (3.61%)		
956	ASML Holding N.V.[2]	803,285	796,587
831	Lam Research Corp.	665,228	678,162
		1,468,513	1,474,749

Shares		Cost	Value
Common Stocks (continued)			
Information Technology (continued)			
	Semiconductors (23.75%)		
4,964	Advanced Micro Devices, Inc.[1]	$ 640,335	$ 814,493
12,550	Broadcom, Inc.	1,519,430	2,164,875
4,318	eMemory Technology, Inc. (Taiwan)[2]	334,663	355,387
95,336	indie Semiconductor, Inc., Cl A[1]	638,678	380,391
228	Monolithic Power Systems, Inc.	116,873	210,786
34,510	NVIDIA Corp.	1,958,202	4,190,895
7,884	Taiwan Semiconductor Manufacturing Co., Ltd. (Taiwan)[2]	161,540	237,735
7,802	Taiwan Semiconductor Manufacturing Co., Ltd., ADR[2]	1,013,096	1,354,973
		6,382,817	9,709,535
	Systems Software (13.12%)		
5,409	Cloudflare, Inc., Cl A[1,3]	427,647	437,534
2,118	Crowdstrike Holdings, Inc., Cl A[1]	528,080	594,035
5,945	Datadog, Inc., Cl A[1,3]	703,253	684,032
7,777	Dynatrace, Inc.[1,3]	379,206	415,836
7,515	Microsoft Corporation	2,878,893	3,233,705
		4,917,079	5,365,142
	Technology Hardware, Storage & Peripherals (7.55%)		
13,240	Apple, Inc.	2,542,029	3,084,920
Total Information Technology		21,123,059	26,482,797
Real Estate (2.19%)			
	Real Estate Services (2.19%)		
11,885	CoStar Group, Inc.[1]	976,222	896,604
TOTAL COMMON STOCKS		**31,524,209**	**39,298,470**

Principal Amount			
Short-Term Investments (3.90%)			
$1,594,913	Repurchase Agreement with Fixed Income Clearing Corp., dated 9/30/2024, 4.35% due 10/1/2024; Proceeds at maturity $1,595,105; (Fully Collateralized by $1,628,700 U.S. Treasury Note, 3.50% due 9/30/2026 Market value - $1,626,899)	**1,594,913**	**1,594,913**
TOTAL INVESTMENTS (100.03%)		**$33,119,122**	**40,893,383**
LIABILITIES LESS CASH AND OTHER ASSETS (-0.03%)			**(11,210)**
NET ASSETS			**$40,882,173**

% Represents percentage of net assets.
[1] Non-income producing securities.
[2] Foreign corporation.
[3] The Adviser has reclassified/classified certain securities in or out of this sub-industry. Such reclassifications/classifications are not supported by S&P or MSCI.
[ADR] American Depositary Receipt.

Go Paperless !
It’s fast, simple and a smart way to help the environment.
Enjoy the speed and convenience of receiving Fund documents electronically.
For more information and to enroll today go to www.baronfunds.com/edelivery

BARON
FUNDS®
1987

767 Fifth Avenue, 49th Fl.
New York, NY 10153
1.800.99.BARON
212-583-2000
www.BaronFunds.com

BARON FUNDS®
1987

September 30
Quarterly 093024