Baron Funds®

Quarterly Report

March 31, 2025

"Over more than four decades managing money, Ron Baron has heard all the advice. Diversify. Cut Losers. Let valuation guide you. He's taken virtually none of it and has achieved a record of investment success that's the envy of Wall Street. His one rule: Buy a handful of stocks and hold them-almost no matter what." Bloomberg. Vildana Hajric and Denitsa Tsekova. November 15, 2024.

Also, according to Bloomberg, Baron Partners Fund is the **only** U.S. equity mutual fund to outperform the QQQ ETF for the past 5-, 10-, and 15-year periods. Today, Baron Partners Fund remains the only fund…of about 2,600 such funds…to beat the QQQ ETF over the past 15 years.

Mission: Changing Lives

Baron's Mission is to change the lives of its middle-class clients and our employees…and to help our institutional clients exceed their hurdle rates of return.

Ron Algorithm.

1. Invest in People

Baron invests in Awesome People…like Elon Musk…well, not exactly like Elon Musk…but you get the idea.

"Great design and engineering are critical but manufacturing and supply chain require orders of magnitude more work." Elon Musk. 2021. "Managing a global supply chain is very difficult and underrated. Tactics wins battles but logistics wins wars." Elon Musk. 2024.

It is not difficult to build a great prototype. It is very difficult to innovate and manufacture exceptional product at scale. In the current unsettled tariff and trade environment that is disrupting supply chains, with manufacturing increasingly autonomous and digitized, it has become even harder. We met Elon in 2010...began to study his businesses then… and have been investing in him…and the extraordinary people with whom he works…and the first principles business culture he has created…since 2014. "What took you so long?" he once asked me on stage at The Met at an annual Baron Conference. *During the entire 15-year period we have known Elon, he has been focused on vertical integration and localization of*

Ron's always been more of a bold, colorful optimist than a soup can kind of guy!

supply chain. This for greater efficiency...to speed production...and because controlling as much of your supply chain as possible reduces risk. *Talk about vision!* 84% of Elon's supply chain is "localized." Toyota's much admired supply chain is only 27% localized!

In the April 22, 2025 Tesla quarterly earnings call for analysts, Elon described his current electric vehicle automobile production line as the **fastest** in the world. Tesla now has the capacity to produce a car every **35 seconds!** According to Musk's **xAi's Grok 3** large language model in which Baron is a significant investor, specific cycle times to produce one vehicle for the automobile industry were typically in the range of 60-90 seconds in the most advanced factories....pre Tesla's innovations! Those included GM, Toyota, and VW factories. Elon noted that with his new "boxed" production facilities for lower cost autonomous robotaxis, Tesla will produce a car every **5 seconds!** During the next two years, Elon expects to have produced and sold more than 10 million vehicles with autonomous capabilities...achieving unusually safe and convenient transportation service...and, we think, enormous recurring profits.

Scott Pelley: "When SpaceX had that third Falcon rocket flight failure in a row, did you think, 'I need to pack this in?'" Elon Musk: "Never." Scott Pelley: "Why not?" Elon Musk. "I don't ever give up. I mean I'd have to be dead or incapacitated." CBS. Sixty Minutes. 2012.

Baron invests in exceptional executives...I believe no one more brilliant than the physicist/engineer/businessman Elon whose manufacturing skills and vision are distinguishing. I have lots of great stories about so many...but clearly none as colorful as Elon...whom I think of not as a Rockefeller or Ford but as the Leonardo DaVinci of executives.

2. Question Everything

Baron accepts nothing at face value.

I graduated in 1957 from Wanamassa Grammar School's eighth grade. Wanamassa is now and was then a small village adjacent to the 25,000 population Asbury Park, New Jersey beach town. In 1957, Wanamassa had about 60 students per grade. We were divided into three classrooms. The student population in Wanamassa was all

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white with a significant percentage of its students children of doctors, lawyers, small business owners, and Jewish engineers who worked for the Army at Ft. Monmouth. On graduation day, our guidance counselor, Mr. Robert McKee, spoke with my class.

"You are about to go into the real world," he told us. "Asbury Park High School is a lot different than Wanamassa. There are 600 students per grade, 2,400 students, overall. Its student body is diverse. "*My advice is to be skeptical about everything. Believe nothing that you hear! Half of what you see!"* I was then only 14! But his words were so jarring and memorable that they ultimately became a core foundational principle of the Baron investment business I founded in 1982.

"Question Everything." To me, the words mean, take nothing for granted. Make decisions based on your personal experience and knowledge. What you have learned from your research. Not on advice someone gives you. The only way you will make great investment returns is if your decisions are based on your understanding of business opportunity…competitive advantage… and what a business can become. There are no shortcuts. You cannot rely on others.

3. OWN IT!

Baron invests in businesses that grow faster than inflation…a lot faster…that's the key.…We are NOT a "macro" hedge fund trader…

A 4% to 5% annual inflation rate in America is not just a recent phenomenon… Further, we believe you should continue to expect prices of nearly everything you purchase to double about every 14-15 years! As they have during my entire 81-year lifetime. This is regardless of what government officials tell us about their 2% annual inflation objectives. Further, a 4% to 5% annual inflation American economic model works. The U.S., with just 4% of Planet Earth's population, produces approximately 30% of its GDP!

In 1966, I worked as a Chemical Coatings Patent Examiner during the days at the U.S. Patent Office, while attending George Washington University Law School at night for seven semesters on partial scholarship. I resigned my PO position in 1969 two days after my 26th birthday since I was then no longer subject to the Vietnam War draft. So, one semester short of law school graduation, and $15,000 in debt, in the Summer of '69, I headed to New York to apply for an analyst position on Wall Street...and to live in a high school friend's basement unemployed for three months.

My *annual* P.O. salary in 1966 had been $7,729. **($138,000 in 2025 Inflation adjusted dollars, 5.2% CAGR**). After living in the basement of a home in Rock Creek Park, D.C. for a year…something about me and basements I suppose…I moved to a "luxurious" $110 rent per month garden apartment in Arlington, VA. My new apartment overlooked the Iwo Jima Memorial and across the Potomac, the Kennedy Center, Washington Monument, and Jefferson Memorial. Since I rarely paid my rent on time, almost every month there was an eviction notice pasted on my door...which I ripped up since I believed they were bluffing and, living paycheck to paycheck, I was only a few days late anyway.

At the time, I wanted to purchase a beautiful Eames lounge chair and ottoman at The Door Store in Georgetown. The Eames chair's highly engineered, polished rosewood frame and black leather cushions made it comfortable and classic luxury....but its $600 price tag meant it was nearly unattainable by me. Miraculously, somehow I managed to save the **$600** needed and purchased the chair and ottoman. The current cost of that **Eames chair? $6,925!!! In 2025 inflation adjusted dollars. 59 years. Nearly 3 1/2 doubles. 4.7% CAGR.** You gotta OWN things. A home...stocks...art...a business... land...an Eames lounge chair... Dollars are not a "store of value." That's the lesson.

4. Exceptional Takes Time

Baron invests in the careers and character of our awesome employees…and in exceptional business executives…in the 43 years since our Founding…Baron has never had a layoff.…NOT ONE!

We try to invest in talented executives whose character I admire. There are so many. Among the most prominent was Jay Pritzker, Hyatt Hotel's Chairman in 1979. He was among the most important business people who helped me in the 1970s at the start of my career. Jay told me lots of stories and had innumerable maxims. "If you need a contract to enforce an agreement, you are doing business with the wrong person..." and "What goes around, comes around"...are two that immediately come to mind.

"I shook your hand." That was what Donald Zucker told me in 2020 five years after he offered to sell me a seven-acre cornfield adjoining our weekend home. When I asked him in 2020 if he was still willing to sell me that property, he replied "You missed the market, Ron. It's now worth 50% more than it was five years ago. But I know it's more important to you than to me and I have other investments I can make. I will sell you the land at the 2015 price!"

No agreements to represent Baron in expensive multi-year commercial real estate transactions were in writing. We agreed that the broker would describe the work he had done and the results achieved after the transaction closed and that I would then decide what was "fair and appropriate broker compensation." There were three such instances. All three were resolved quickly and to both parties' satisfaction.

5. Building Legacy

Legacy is about what we are building for you and your families…not about what we've built.

Baron Capital Perspective

April 9, 2025

"In the end everything will be okay...and if it's not...it's not the end." John Lennon, 1980.

Baron is one of the very few mutual fund companies or any other investment firms for that matter that has outperformed its passive benchmarks. Since their respective inceptions, 16 of 19 Baron mutual funds, representing 96.6% of Baron Funds' AUM, have outperformed their primary benchmarks and 12 Funds representing 94.3% of Baron Funds' AUM, rank in the top 10% of their respective Morningstar categories. Eight Funds, representing 60.5% of Baron Funds' AUM, rank in the top 5% of their categories. **Baron Partners Fund** is the **number one** performing equity mutual fund in the U.S. since its inception as a mutual fund in 2003.*

"Stocks are terrific, Ronnie. You pay 10X earnings...businesses grow....their stocks increase in value....they pay dividends ...and you don't even have to manage the businesses." Leon Massar. My friend Marc's dad. Owner Massar Realty. Asbury Park. 1957.

At the Baron 2024 "Building Legacy" Investment Conference last November, I spoke about growing up in a small town near Asbury Park, New Jersey...and about the lives of my grandparents who emigrated from Europe pre-Holocaust to America... penniless and not speaking English...to escape religious persecution.. seek better lives for their families....and to own a home. As a child I often asked my dad, a U.S. Army engineer at Ft. Monmouth, "are we middle class yet?"... and when I was Bar Mitzvah in 1956 how proud he was when he answered "yes." **My dad's salary had just reached $10,000 per year (about $160,000 in inflation adjusted 2025 dollars, 4.6% CAGR for 69 years).**

My family then lived in a modest 2,000 square foot, $20,000 house ($1.5 million in present day dollars, 75X its 1955 cost, 6.3% CAGR) in West Allenhurst, New Jersey. My friend Marc's home, designed by a Japanese architect, was a larger, really cool, modern, glass walled structure on Deal Lake. Marc's dad **owned** a real estate brokerage business...amusement rides on the Asbury Park boardwalk...a motel...earned an unimaginable $100,000 per year...and purchased a new Cadillac...every year. An early lesson to me of the benefits of entrepreneurial business' ownership...

It was from Marc's dad, Leon, that at age 14, I first learned about the stock market. After hanging out as a freshman in a brokerage office near APHS after classes, I was able to persuade my dad, who had never invested, to open a brokerage account for me... with the $1,000 I had saved for college tuition from bar mitzvah presents...shoveling snow....caddying...cutting lawns..and other odd jobs. That was after I convinced him I could research a business. I did my homework and he let me purchase 100 shares of **Monmouth County National Bank**...where I had a passbook savings account...at $10 per share. I was all in with all my savings.

The Asbury Park Press printed the daily share prices of local securities in its Business Section. Every afternoon when I got home from school, after quickly scanning local high school sports scores...I turned to financial news where 15-20 local publicly traded securities were listed. Virtually every day for the next seven or eight or nine months the price of Monmouth County National Bank either was unchanged or increased a sixteenth…an eighth...or a quarter. Every day. Until it was acquired for $17 per share!!!! And my $1,000 became $1,700...enough to cover about two-thirds of my first year's $2,500 tuition at Bucknell. "Wow. That was easy. I want to do that," I thought. **(Tuition at Bucknell is now about $67,000 per year, 27X its 1961 fee in 2025 inflation adjusted dollars, 5.1% CAGR).**

Baron Capital invests for the long term principally in stocks of publicly owned growth companies...

Baron is fulfilling its MISSION to Change Lives of its individual client/investors...as well as Baron employees...while helping our institutional clients exceed their required hurdle rates of returns on capital....

Baron's **$4.5 billion** investment in privately owned, but actively traded **SpaceX,** is an exception to our ownership of public growth companies. BOTTOM LINE...We OWN shares of growing businesses...we do NOT buy and sell stocks attempting to predict the impact on share prices of "macro" economic factors.

While tariff news and the possibility of recession dominate today's headlines...creating market volatility...we have not changed our strategy and continue to invest in people and unique growth businesses for the long term based upon our proprietary research and process. We don't rely on others' opinions and advice or base decisions on current news cycles. We need to see what isn't there. Yet. The future. And be right!! This is as we have since the founding of Baron Capital in 1982....and, we believe, the reason we've outperformed.

Thanks for getting me started all those years ago, Leon Massar!!!

Respectfully,

Ron Baron
CEO and Portfolio Manager
@RonBaronAnalyst
April 20, 2025

P.S. Memo to Baron portfolio managers and analysts. From Ron. March 31, 2025.

Two requests for your Baron mutual funds' shareholder letters.

1. Please limit references to "unpredictable macro." No one knows what will happen in the short term...and if we did there is no way to tell the impact or if it had already been anticipated. We are not traders who make macro bets. Just invest for the long term in competitively advantaged business...and outperform markets and inflation.

2. Please also avoid using terms "quality" and "high conviction" in your letters. Regard those phrases as common with little real meaning. I want you to describe why businesses in which we invest are different from competitors ...and are unique with more favorable prospects than average businesses. They grow faster. And, as much as you can please describe how our efforts to "invest in people" due to our proprietary research that "question everything" permit us to achieve "exceptional long-term returns." That's how we are "building legacy" and "changing lives" for our clients and employees.

Be optimistic.

"Don't Stop Believin." Journey.

P.P.S. Elon's First Principles Manufacturing Algorithm.

1. Question everything.
2. Eliminate processes and parts that are "dumb."
3. Simplify… produce faster… and lower cost.
4. Eliminate the part.

The best part is no part.

* **This is a hypothetical ranking created by Baron Capital using Morningstar extended performance data and is as of 3/31/2025. As of 3/31/2025, Baron Partners Fund remains the number one performing equity mutual in the United States since its inception. There were 1,989 share classes in these nine Morningstar Categories for the period from 4/30/2003 to 3/31/2025. As of 3/31/2025, the annualized returns of the Invesco QQQ Trust were 25.61%, 19.93%, and 18.29% for the 1-, 5-, and 10-year periods, respectively. As of 3/31/2025, the annualized returns of the Invesco QQQ Trust were 6.21%, 20.51% and 16.99% for the 1-, 5-, and 10-year periods, respectively. 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.**

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.

Baron Funds (Institutional Shares) and Benchmark Performance 3/31/2025

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	4.34%	1.21%	13.56%	9.83%	11.84%	1.06%(6)	$1.51 billion
Russell 2000 Growth Index		(4.86)%	0.78%	10.78%	6.14%	7.14%		
Baron Growth Fund®	12/31/1994	(4.70)%	1.16%	13.04%	9.30%	12.33%	1.05%(6)(7)	$6.19 billion
Russell 2000 Growth Index		(4.86)%	0.78%	10.78%	6.14%	7.43%		
Baron Small Cap Fund®	9/30/1997	(7.60)%	2.42%	14.00%	8.85%	9.82%	1.05%(6)	$3.75 billion
Russell 2000 Growth Index		(4.86)%	0.78%	10.78%	6.14%	5.93%		
Small/Mid Cap								
Baron Focused Growth Fund®[1]	5/31/1996	17.56%	6.07%	28.47%	16.93%	13.43%	1.06%(8)	$2.12 billion
Russell 2500 Growth Index		(6.37)%	0.55%	11.37%	7.44%	7.73%		
Mid Cap								
Baron Asset Fund®	6/12/1987	1.47%	3.06%	11.32%	9.89%	11.19%	1.05%(6)	$3.94 billion
Russell Midcap Growth Index[2]		3.57%	6.16%	14.86%	10.14%	10.21%		
Large Cap								
Baron Durable Advantage Fund®	12/29/2017	6.63%	12.98%	19.60%		14.63%	1.00%/0.70%(6)(10)	$446.26 million
S&P 500 Index		8.25%	9.06%	18.59%		12.65%		
Baron Fifth Avenue Growth Fund®	4/30/2004	5.90%	5.61%	11.51%	11.56%	9.54%	0.78%/0.76%(6)(11)	$610.21 million
Russell 1000 Growth Index		7.76%	10.10%	20.09%	15.12%	11.76%		
All Cap								
Baron Opportunity Fund®†	2/29/2000	7.05%	8.02%	19.24%	16.21%	9.58%	1.06%(6)	$1.35 billion
Russell 3000 Growth Index		7.18%	9.63%	19.57%	14.55%	7.16%		
Baron Partners Fund®[3,4]	1/31/1992	20.84%	(1.19)%	30.33%	18.74%	14.88%	1.99%(8)(9)	$6.56 billion
Russell Midcap Growth Index		3.57%	6.16%	14.86%	10.14%	9.94%		
Non-U.S./Global								
Baron Emerging Markets Fund®	12/31/2010	8.43%	1.29%	7.64%	3.22%	3.66%	1.11%(8)	$3.59 billion
MSCI Emerging Markets Index		8.09%	1.44%	7.94%	3.71%	2.14%		
MSCI Emerging Markets IMI Growth Index		6.67%	0.09%	6.99%	4.01%	2.83%		
Baron Global Advantage Fund®†	4/30/2012	10.58%	(3.38)%	6.42%	9.68%	10.64%	0.95%/0.91%(8)(12)	$509.79 million
MSCI ACWI Index		7.15%	6.91%	15.18%	8.84%	9.44%		
MSCI ACWI Growth Index		5.70%	6.83%	15.36%	10.62%	11.00%		
Baron India Fund®	7/30/2021	7.47%	1.39%			(2.88)%	6.79%/1.20%(14)(15)	$9.31 million
MSCI AC Asia ex Japan/India Linked Index		(4.09)%	(3.15)%			(5.61)%		
MSCI AC Asia ex Japan Index		11.34%	1.79%			(1.69)%		
MSCI India Index		1.75%	6.94%			8.23%		
MSCI Emerging Markets Index		8.09%	1.44%			(1.55)%		
Baron International Growth Fund®	12/31/2008	3.69%	(1.24)%	8.53%	5.63%	8.56%	0.98%/0.95%(8)(13)	$313.44 million
MSCI ACWI ex USA Index		6.09%	4.48%	10.92%	4.98%	6.90%		
MSCI ACWI ex USA IMI Growth Index		0.94%	1.29%	8.31%	5.05%	7.30%		
Sector								
Baron FinTech Fund®	12/31/2019	14.29%	7.38%	14.90%		11.27%	1.21%/0.95%(8)(16)	$67.84 million
FactSet Global FinTech Index		2.01%	(0.28)%	9.10%		2.22%		
Baron Health Care Fund®	4/30/2018	(9.14)%	(0.95)%	10.55%		10.00%	0.88%/0.85%(8)(17)	$169.78 million
Russell 3000 Health Care Index		(0.96)%	2.84%	11.02%		9.57%		
Baron Real Estate Fund®	12/31/2009	(3.09)%	1.71%	16.02%	8.40%	12.92%	1.06%(8)	$2.06 billion
MSCI USA IMI Extended Real Estate Index		2.45%	4.79%	15.39%	7.73%	10.76%		
Baron Real Estate Income Fund®†	12/29/2017	13.98%	0.09%	12.86%		9.05%	0.96%/0.80%(8)(18)	$229.83 million
MSCI US REIT Index		8.98%	(1.77)%	10.04%		4.49%		
Baron Technology Fund®	12/31/2021	9.77%	11.09%			4.28%	5.04%/0.95%(8)(19)	$50.42 million
MSCI ACWI Information Technology Index		3.76%	10.49%			6.05%		

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	4.30%	2.29%	16.66%		11.84%	1.22%/1.19%[8][20]	$511.77 million
S&P 500 Index		8.25%	9.06%	18.59%		12.65%		
Broad-Based Benchmarks[5]								
Russell 3000 Index		7.22%	8.22%	18.18%	11.80%			
S&P 500 Index		8.25%	9.06%	18.59%	12.50%			
MSCI ACWI Index		7.15%	6.91%	15.18%	8.84%			
MSCI ACWI ex USA Index		6.09%	4.48%	10.92%	4.98%			
MSCI Emerging Markets Index		8.09%	1.44%	7.94%	3.71%			

(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, 49.8% of the Fund's long holdings were invested in SMID, Mid and Mid/Large-Cap securities (as defined by Russell, Inc.) as of 3/31/2025 (SMID represents 10.7% of the portfolio and has market market capitalizations between $4.8 – $14.9 billion; Mid represents 32.9% and has market capitalizations between $14.9 – $52.3 billion; Mid /Large represents 6.2% and has market capitalizations between $52.3 – $171.9 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 1/28/2025.

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

(8) As of 4/26/2024.

(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).

(21) From July 30, 2021 (commencement of operations) through December 31, 2021.

† 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.

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 or may waive or 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.

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.

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 Fund's level of participation in IPOs will be the same in the future.

Performance for **Baron Partners Fund** and **Baron Focused Growth Fund** reflect the actual fees and expenses that were charged when the Funds were partnerships. The predecessor partnerships charged a 20% performance fee (Baron Partners Fund) or a 15% performance fee (Baron Focused Growth Fund) after reaching a certain performance benchmark. If the annual returns for the Funds did not reflect the performance fee for the years the predecessor partnerships charged a performance fee, returns would be higher. The Funds' shareholders are not charged a performance fee. During these periods, the predecessor partnerships were not registered under the Investment Company Act of 1940 and were not subject to its requirements or the requirements of the Internal Revenue Code relating to registered investment companies, which, if they were, might have adversely affected its performance.

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

The discussion of market trends is not intended as advice to any person regarding the advisability of investing in any particular security. The views expressed in this document reflect those of the respective writer. Some of our comments are based on management expectations and are considered "forward-looking statements." Actual future results, however, may prove to be different from our expectations. Our views reflect our best judgment at the time and are subject to change at any time based on market and other conditions and Baron Capital has no obligation to update them.

Ranking information provided is calculated for the **Institutional Share Class** and is as of 3/31/2025. 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 1079, 949, and 745, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Opportunity Fund in the 29th, 20th, 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 565 share classes. Morningstar ranked Baron Partners Fund in the 1st, 1st, 1st, and 1st percentiles for the 1-, 5-, 10-year, and since inception periods as a mutual fund, respectively. The Fund converted into a mutual fund 4/30/2003, and the category consisted of 699 share classes. Morningstar ranked Baron Durable Advantage Fund in the 32nd, 16th, and 21st percentiles for the 1-, 5-year, and since inception periods, respectively. The Fund launched 12/29/2017, and the category consisted of 979 share classes. The **Morningstar Mid Cap Growth Category** consisted of 497, 447, and 358, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Asset Fund in the 21st, 64th, 20th, and 8th percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 6/12/1987, and the category consisted of 57 share classes. Morningstar ranked Baron Growth Fund in the 59th, 35th, 32nd, 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 149 share classes. Morningstar ranked Baron Focused Growth Fund in the 4th, 2nd, 2nd, and 2nd percentiles for the 1-, 5-, 10-year, and since inception periods as a mutual fund, respectively. The Fund converted into a mutual fund 6/30/2008, and the category consisted of 386 share classes. The **Morningstar Small Cap Growth Category** consisted of 551, 520, and 395, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Small Cap Fund in the 73rd, 23rd, 20th, and 9th percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 9/30/1997, and the category consisted of 232 share classes. Morningstar ranked Baron Discovery Fund in the 6th, 29th, and 4th percentiles for the 1-, 5-, and since inception periods, respectively. The Fund launched 9/30/2013, and the category consisted of 489 share classes. The **Morningstar Real Estate Category** consisted of 221, 196, and 148, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Real Estate Fund in the 98th, 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 157 share classes. Morningstar ranked Baron Real Estate Income Fund in the 4th, 6th, and 2nd percentiles for the 1-, 5-, and since inception periods, respectively. The Fund launched 12/29/2017, and the category consisted of 196 share classes. The **Morningstar Foreign Large Growth Category** consisted of 389, 335, 213, and 225 share classes for the 1-, 5-, 10-year, and since inception (12/31/2008) periods. Morningstar ranked Baron International Growth Fund in the 32nd, 64th, 51st, and 24th, respectively. The **Morningstar Diversified Emerging Markets Category** consisted of 777, 636, 435, and 356 share classes for the 1-, 5-, 10-year, and since inception (12/31/2010) periods. Morningstar ranked Baron Emerging Markets Fund in the 26th, 66th, 61st, and 9th, respectively. The **Morningstar Health Category** consisted of 175, 149, and 134 share classes for the 1-, 5-, and since inception (12/31/2018) periods. Morningstar ranked Baron Health Care Fund in the 76th, 21st, and 6th, respectively. The **Morningstar Aggressive Allocation Category** consisted of 183, 167, and 175 share classes for the 1-, 5-, and since inception (12/29/2017) periods. Morningstar ranked Baron WealthBuilder Fund in the 49th, 9th, and 1st, respectively. The **Morningstar Global Large Stock Growth** consisted of 342, 280, 196 and 207 share classes for the 1-, 5-, 10-year and since inception (4/30/2012) periods.

Morningstar ranked Baron Global Advantage Fund in the 10th, 98th, 31st and 31st, respectively. The **Morningstar Technology Category** consisted of 268, and 240 share classes for the 1-year, and since inception (12/31/2021) periods. Morningstar ranked Baron Technology Fund in the 14th, and 27th, respectively.

Portfolio holdings as a percentage of net assets as of March 31, 2025 for securities mentioned are as follows: Tesla, Inc.—Baron Fifth Avenue Growth Fund (3.2%), Baron Focused Growth Fund (7.5%), Baron Global Advantage Fund (1.3%), Baron Opportunity Fund (4.3%), Baron Partners Fund (30.6%*), Baron Technology Fund (2.8%); Space Exploration Technologies Corp.—Baron Asset Fund (5.3%), Baron Fifth Avenue Growth Fund (1.6%), Baron Focused Growth Fund (11.3%), Baron Global Advantage Fund (11.9%), Baron Opportunity Fund (5.2%), Baron Partners Fund (18.1%*).

*% of Long Positions.

Top 10 Holdings

Baron Partners Fund 3/31/2025

Holding	% of Long Investments
Tesla, Inc.	30.6
Space Exploration Technologies Corp.	18.1
Arch Capital Group Ltd.	7.9
CoStar Group, Inc.	7.4
Hyatt Hotels Corporation	5.4
The Charles Schwab Corporation	4.6
FactSet Research Systems Inc.	3.9
Gartner, Inc.	3.7
IDEXX Laboratories, Inc.	3.5
Vail Resorts, Inc.	3.1
Total	88.1
Long Equity Exposure	115.2
Cash & Equivalents	(15.2)

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

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BARON CAPITAL'S TOP 25 HOLDINGS

As of 3/31/2025

Rank	Ticker	Security Name	Year of First Purchase[1]	Market Value ($ Millions)	Ending Weight[2] (%)	Total Realized and Unrealized Gains ($ Millions)	Cumulative Total Return[3] (%)	Total Return Multiple (X)	Annualized Total Return (%)
1	931JQH909	**Space Exploration Technologies Corp.**	2017	$4,474	10.3	$3,358	1,190.1	12.9	40.3
2	TSLA	**Tesla, Inc.**	2014	$3,683	8.5	$5,539	2,079.3	21.8	31.8
3	ACGL	**Arch Capital Group Ltd.**	2002	$1,920	4.4	$2,322	3,437.7	35.4	16.8
4	IT	**Gartner, Inc.**	2007	$1,583	3.6	$2,461	1,548.6	16.5	16.9
5	CSGP	**CoStar Group, Inc.**	2001	$1,508	3.5	$1,798	4,466.6	45.7	17.7
6	MSCI	**MSCI Inc.**	2007	$1,172	2.7	$1,377	2,442.6	25.4	20.5
7	GWRE	**Guidewire Software, Inc.**	2012	$1,062	2.4	$895	709.7	8.1	17.6
8	FDS	**FactSet Research Systems Inc.**	2006	$1,022	2.4	$1,325	984.3	10.8	13.8
9	IDXX	**IDEXX Laboratories, Inc.**	2005	$865	2.0	$2,033	2,817.8	29.2	18.2
10	KNSL	**Kinsale Capital Group, Inc.**	2016	$846	1.9	$882	2,632.4	27.3	46.4
11	MTN	**Vail Resorts, Inc.**	1997	$846	1.9	$944	884.8	9.8	8.5
12	H	**Hyatt Hotels Corporation**	2009	$709	1.6	$467	350.6	4.5	10.3
13	XAICOM.R	**X.AI Holdings Corp.**	2022	$672	1.5	$337	100.7[4]	2.0	33.3
14	CHH	**Choice Hotels International, Inc.**	1996	$620	1.4	$827	3,707.0	38.1	13.7
15	SCHW	**The Charles Schwab Corporation**	1992	$566	1.3	$1,541	12,605.1	127.1	16.2
16	RRR	**Red Rock Resorts, Inc.**	2016	$503	1.2	$208	194.9	2.9	12.9
17	SPOT	**Spotify Technology S.A.**	2020	$488	1.1	$131	352.9	4.5	35.3
18	TSM	**Taiwan Semiconductor Manufacturing Company Limited**	2013	$472	1.1	$470	1,101.0	12.0	23.5
19	PRI	**Primerica, Inc.**	2010	$456	1.1	$651	1,607.4	17.1	20.8
20	MORN	**Morningstar, Inc.**	2005	$390	0.9	$440	1,569.4	16.7	15.2
21	GLPI	**Gaming and Leisure Properties, Inc.**	2013	$387	0.9	$439	207.2	3.1	10.3
22	VRSK	**Verisk Analytics, Inc.**	2009	$361	0.8	$531	1,038.2	11.4	17.0
23	MTD	**Mettler-Toledo International Inc.**	2008	$332	0.8	$942	1,537.0	16.4	18.7
24	NVDA	**NVIDIA Corporation**	2018	$311	0.7	$492	1,539.1	16.4	53.7
25	ANSS	**ANSYS, Inc.**	2009	$270	0.6	$855	1,118.0	12.2	16.7

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 3/31/2025. Depending on Baron Capital's purchases and sales over the period, this performance may be lower or higher than the performance of the investment.
4 - On 3/28/2025, X.AI Holdings Corp. ("X.AI Holdings") acquired X Holdings Corp. ("X") and X.AI Corp. ("xAI") in an all-stock transaction. Prior to the acquisition, the cumulative total return for xAI was 80.9%, and the cumulative total return for X was 1.5% from the dates of first purchase in the Fund. The total return of X.AI Holdings represents the combined return on investment for X, xAI, and xAI Holdings.

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 March 31, 2025 for securities mentioned are as follows: Space Exploration Technologies Corp. - Baron Asset Fund (5.3%), Baron Fifth Avenue Growth Fund (1.6%), Baron Focused Growth Fund (11.3%), Baron Global Advantage Fund (11.9%), Baron Opportunity Fund (5.2%), Baron Partners Fund (18.1%*); **Tesla, Inc.** - Baron Fifth Avenue Growth Fund (3.2%), Baron Focused Growth Fund (7.5%), Baron Global Advantage Fund (1.3%), Baron Opportunity Fund (4.3%), Baron Partners Fund (30.6%*), Baron Technology Fund (2.8%); **Arch Capital Group Ltd.** - Baron Asset Fund (4.9%), Baron Durable Advantage Fund (1.9%), Baron FinTech Fund (2.6%), Baron Focused Growth Fund (4.1%), Baron Growth Fund (13.3%), Baron International Growth Fund (2.6%), Baron Partners Fund (7.9%*); **Gartner, Inc.** - Baron Asset Fund (8.2%), Baron Growth Fund (8.8%), Baron Opportunity Fund (2.0%), Baron Partners Fund (3.7%*), Baron Small Cap Fund (5.3%), Baron Technology Fund (1.3%); **CoStar Group, Inc.** - Baron Asset Fund (4.3%), Baron Durable Advantage Fund (2.2%), Baron FinTech Fund (1.1%), Baron Focused Growth Fund (4.4%), Baron Growth Fund (6.0%), Baron Opportunity Fund (2.7%), Baron Partners Fund (7.4%*), Baron Real Estate Fund (3.2%), Baron Technology Fund (2.0%); **MSCI Inc.** - Baron Asset Fund (0.7%), Baron Durable Advantage Fund (2.1%), Baron FinTech Fund (2.6%), Baron Focused Growth Fund (4.0%), Baron Growth Fund (11.4%), Baron Partners Fund (2.0%*); **Guidewire Software, Inc.** - Baron Asset Fund (5.5%), Baron Discovery Fund (2.9%), Baron FinTech Fund (3.7%), Baron Focused Growth Fund (4.9%), Baron Growth Fund (2.6%), Baron Opportunity Fund (1.6%), Baron Partners Fund (2.2%*), Baron Small Cap Fund (5.0%), Baron Technology Fund (1.0%); **FactSet Research Systems Inc.** - Baron Asset Fund (2.3%), Baron FinTech Fund (2.0%), Baron Focused Growth Fund (2.7%), Baron Growth Fund (7.2%), Baron Partners Fund (3.9%*); **IDEXX Laboratories, Inc.** - Baron Asset Fund (5.5%), Baron Focused Growth Fund (4.4%), Baron Growth Fund (2.4%), Baron Health Care Fund (2.0%), Baron Partners Fund (3.5%*), Baron Small Cap Fund (0.3%); **Kinsale Capital Group, Inc.** - Baron Discovery Fund (2.4%), Baron FinTech Fund (1.1%), Baron Growth Fund (7.2%), Baron Small Cap Fund (5.8%); **Vail Resorts, Inc.** - Baron Asset Fund (1.9%), Baron Focused Growth Fund (4.2%), Baron Growth Fund (5.2%), Baron Partners Fund (3.1%*); **Hyatt Hotels Corporation** - Baron Asset Fund (1.6%), Baron Focused Growth Fund (4.2%), Baron Partners Fund (5.4%*), Baron Real Estate Fund (2.5%); **X.AI Holdings Corp.** - Baron Asset Fund (3.1%), Baron Fifth Avenue Growth Fund (1.0%), Baron Focused Growth Fund (2.9%), Baron Opportunity Fund (1.6%), Baron Partners Fund (0.8%*); **Choice Hotels International, Inc.** - Baron Asset Fund (1.7%), Baron Focused Growth Fund (2.5%), Baron Growth Fund (6.4%); **The Charles Schwab Corporation** - Baron Asset Fund (2.9%), Baron FinTech Fund (1.3%), Baron Partners Fund (4.6%*); **Red Rock Resorts, Inc.** - Baron Discovery Fund (0.9%), Baron Focused Growth Fund (3.5%), Baron Growth Fund (1.6%), Baron Partners Fund (1.1%*), Baron Real Estate Fund (1.0%), Baron Small Cap Fund (3.6%); **Spotify Technology S.A.** - Baron Asset Fund (1.4%), Baron Focused Growth Fund (6.8%), Baron Opportunity Fund (4.5%), Baron Partners Fund (1.6%*), Baron Technology Fund (7.5%); **Taiwan Semiconductor Manufacturing Company Limited** - Baron Durable Advantage Fund (4.2%), Baron Emerging Markets Fund (8.3%), Baron Fifth Avenue Growth Fund (3.1%), Baron Global Advantage Fund (1.5%), Baron International Growth Fund (3.0%), Baron Opportunity Fund (1.6%), Baron Technology Fund (4.3%); **Primerica, Inc.** - Baron FinTech Fund (1.1%), Baron Growth Fund (5.7%); **Morningstar, Inc.** - Baron Asset Fund (1.2%), Baron FinTech Fund (2.3%), Baron Growth Fund (4.5%); **Gaming and Leisure Properties, Inc.** - Baron Growth Fund (4.1%), Baron Partners Fund (1.2%*); **Verisk Analytics, Inc.** - Baron Asset Fund (5.7%), Baron FinTech Fund (2.7%), Baron Focused Growth Fund (2.9%); **Mettler-Toledo International Inc.** - Baron Asset Fund (4.4%), Baron Durable Advantage Fund (1.2%), Baron Growth Fund (1.1%), Baron Health Care Fund (1.8%), Baron Small Cap Fund (0.8%); **NVIDIA Corporation** - Baron Durable Advantage Fund (4.8%), Baron Fifth Avenue Growth Fund (9.4%), Baron Global Advantage Fund (7.7%), Baron Opportunity Fund (10.2%), Baron Technology Fund (10.3%); **ANSYS, Inc.** - Baron Focused Growth Fund (1.5%), Baron Growth Fund (2.6%).

*% of Long Positions.

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

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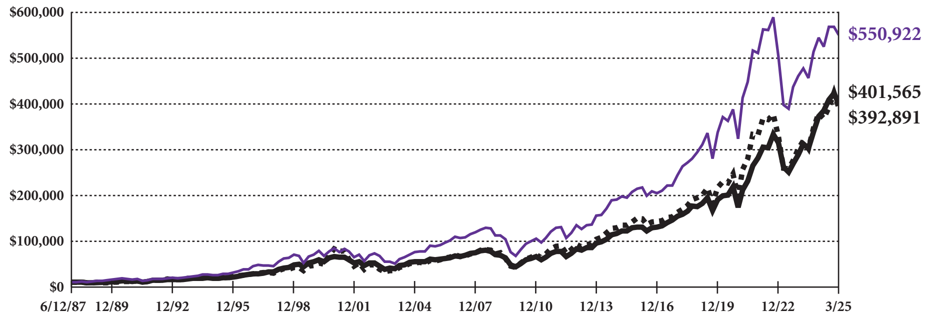
Baron Asset Fund

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



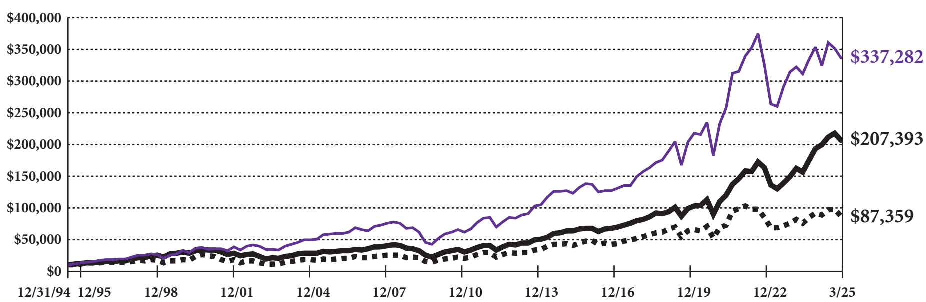
Returns

Not Annualized	Annualized				
3-Month	1-year	3-year	5-year	10-year	Since Inception
(2.89)%	1.47%	3.06%	11.32%	9.89%	11.19%

Baron Asset Fund
Russell Midcap Growth Index[1]
Russell 3000 Index[2]

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



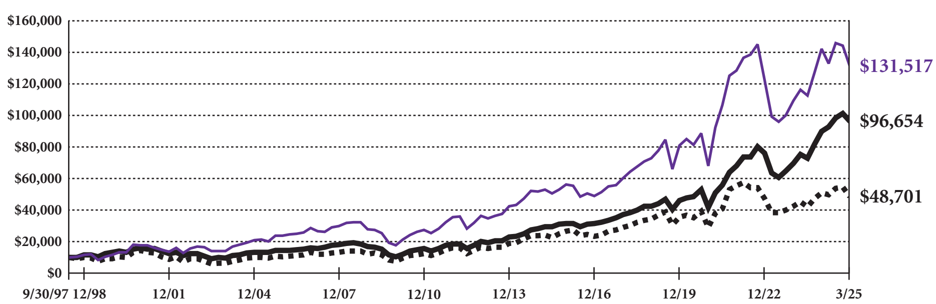
Returns

Not Annualized	Annualized				
3-Month	1-year	3-year	5-year	10-year	Since Inception
(4.25)%	(4.70)%	1.16%	13.04%	9.30%	12.33%

Baron Growth Fund
Russell 2000 Growth Index[3]
Russell 3000 Index[2]

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
(9.07)%	(7.60)%	2.42%	14.00%	8.85%	9.82%

Baron Small Cap Fund
Russell 2000 Growth Index[3]
Russell 3000 Index[2]

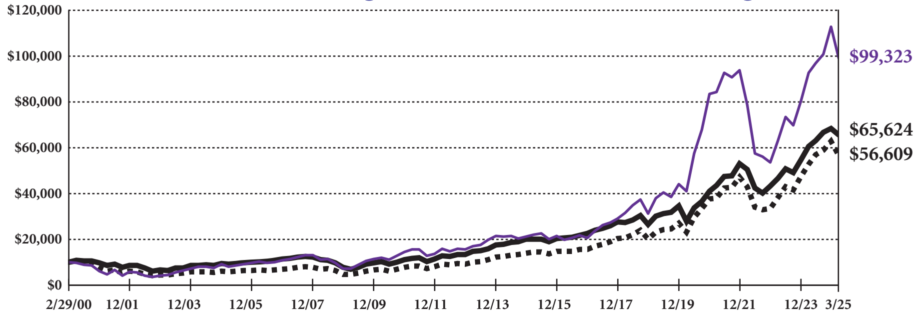
The Funds include reinvestment of dividends, net of foreign withholding taxes, while the Russell Midcap Growth Index, Russell 2000 Growth Index, and Russell 3000 Index include reinvestment of dividends before taxes. Reinvestment of dividends positively impacts performance results. The indexes are unmanaged. 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 17.

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



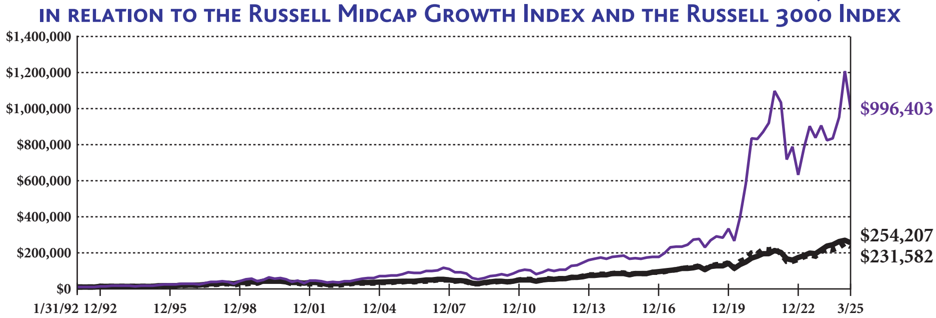
Returns

Not Annualized	Annualized				
3-Month	1-year	3-year	5-year	10-year	Since Inception
(11.97)%	7.05%	8.02%	19.24%	16.21%	9.58%

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



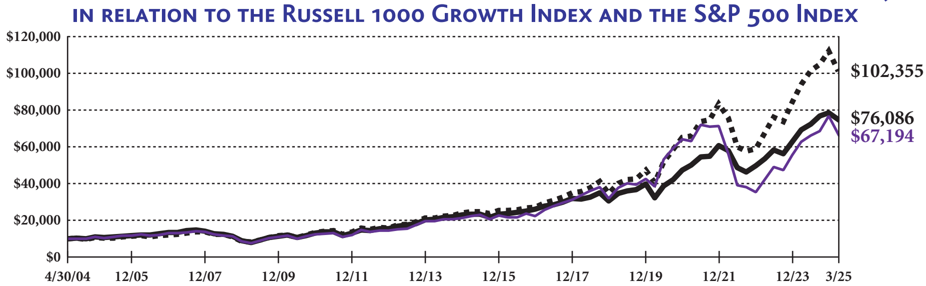
Returns

Not Annualized	Annualized				
3-Month	1-year	3-year	5-year	10-year	Since Inception
(17.37)%	20.84%	(1.19)%	30.33%	18.74%	14.88%

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
(13.43)%	5.90%	5.61%	11.51%	11.56%	9.54%

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.

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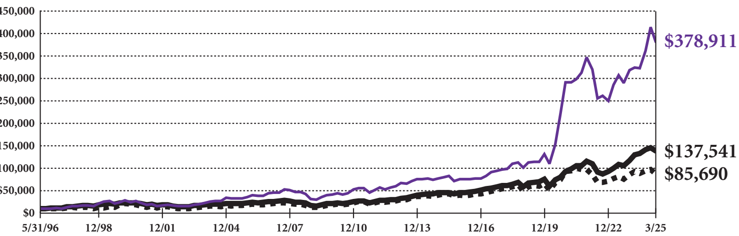
* Reflects the actual fees and expenses that were charged when the Fund was a partnership. The predecessor partnership charged a 20% performance fee after reaching a certain performance benchmark. If the annual returns for the Fund did not reflect the performance fees for the years the predecessor partnership 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 17.

Baron Funds Performance

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



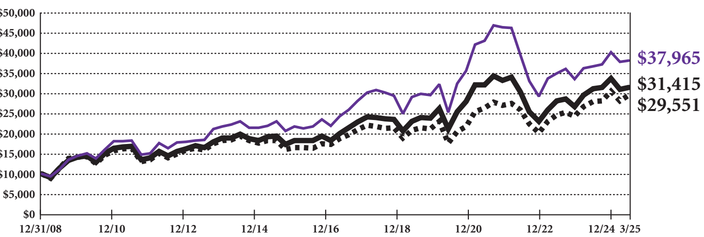
Returns

Not Annualized	Annualized				
3-Month	1-year	3-year	5-year	10-year	Since Inception
(7.95)%	17.56%	6.07%	28.47%	16.93%	13.43%

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



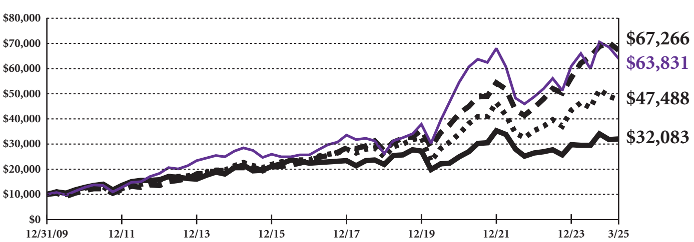
Returns

Not Annualized	Annualized				
3-Month	1-year	3-year	5-year	10-year	Since Inception
0.71%	3.69%	(1.24)%	8.53%	5.63%	8.56%

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
(6.69)%	(3.09)%	1.71%	16.02%	8.40%	12.92%

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.

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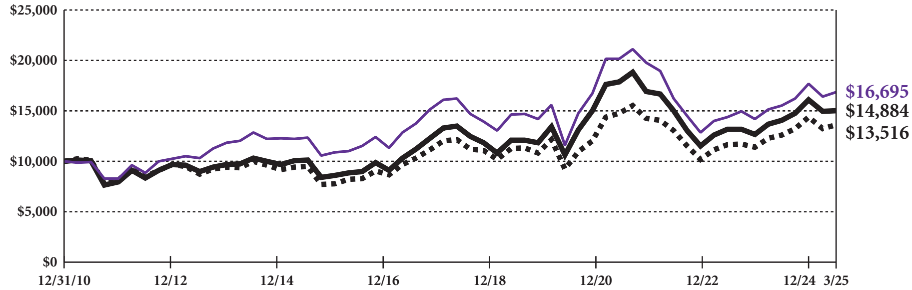
* Reflects the actual fees and expenses that were charged when the Fund was a partnership. The predecessor partnership charged a 15% performance fee through 2003 after reaching a certain performance benchmark. If the annual returns for the Fund did not reflect the performance fees for the years the predecessor 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 17.

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



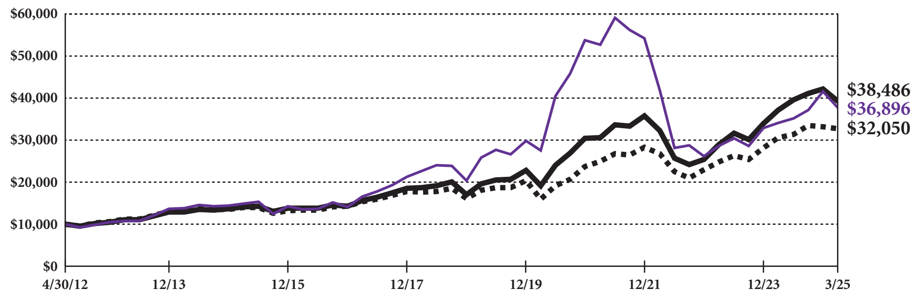
Returns

Not Annualized	Annualized				
3-Month	1-year	3-year	5-year	10-year	Since Inception
3.00%	8.43%	1.29%	7.64%	3.22%	3.66%

Baron Emerging Markets Fund
MSCI Emerging Markets Index[12]
MSCI Emerging Markets IMI Growth Index[13]

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



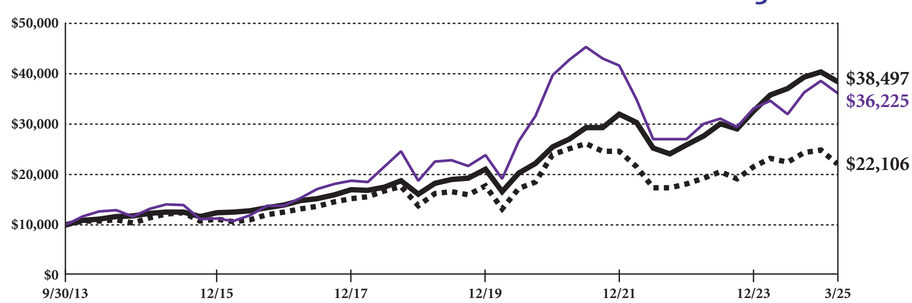
Returns

Not Annualized	Annualized				
3-Month	1-year	3-year	5-year	10-year	Since Inception
(9.39)%	10.58%	(3.38)%	6.42%	9.68%	10.64%

Baron Global Advantage Fund
MSCI ACWI Index[14]
MSCI ACWI Growth Index[15]

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
(6.17)%	4.34%	1.21%	13.56%	9.83%	11.84%

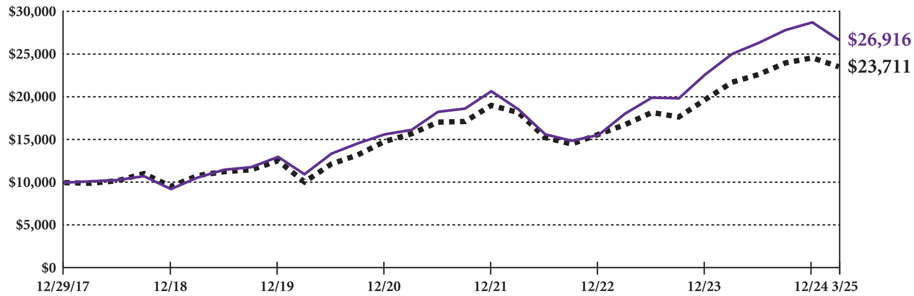
Baron Discovery Fund
Russell 2000 Growth Index[3]
Russell 3000 Index[2]

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, and Russell 3000, 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 17.

Baron Funds Performance

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

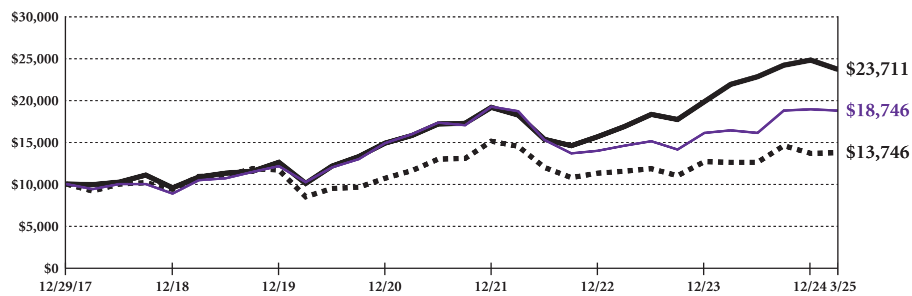


Returns

Not Annualized	Annualized			
3-Month	1-year	3-year	5-year	Since Inception
(7.02)%	6.63%	12.98%	19.60%	14.63%

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

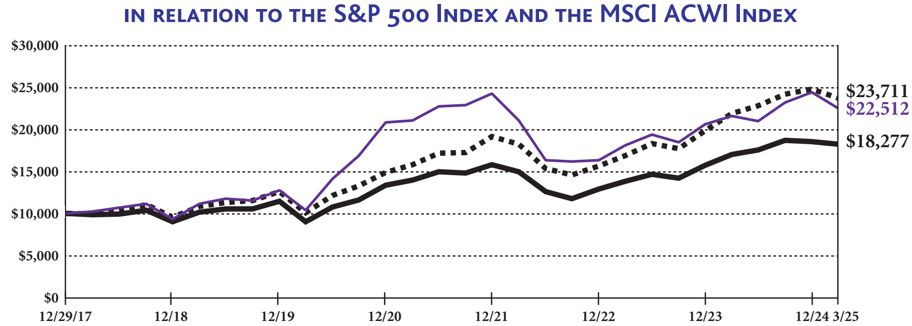


Returns

Not Annualized	Annualized			
3-Month	1-year	3-year	5-year	Since Inception
(0.98)%	13.98%	0.09%	12.86%	9.05%

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
(7.88)%	4.30%	2.29%	16.66%	11.84%

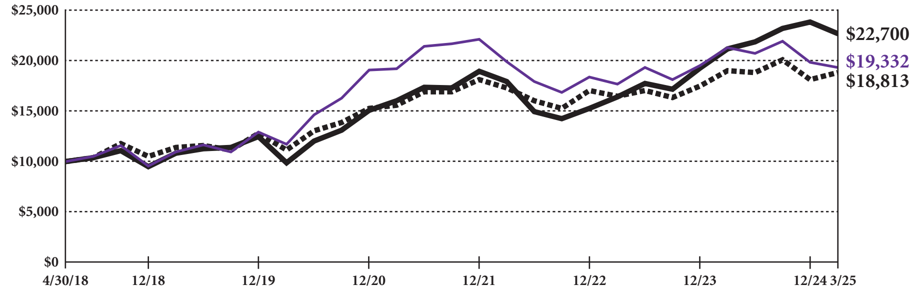
The Funds, MSCI US REIT Index, and MSCI ACWI Index include reinvestment of dividends, net of foreign withholding taxes, while the S&P 500 Index includes reinvestment of dividends before taxes. Reinvestment of dividends positively impacts performance results. The indexes are unmanaged. Index performance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

See index footnotes on page 17.

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



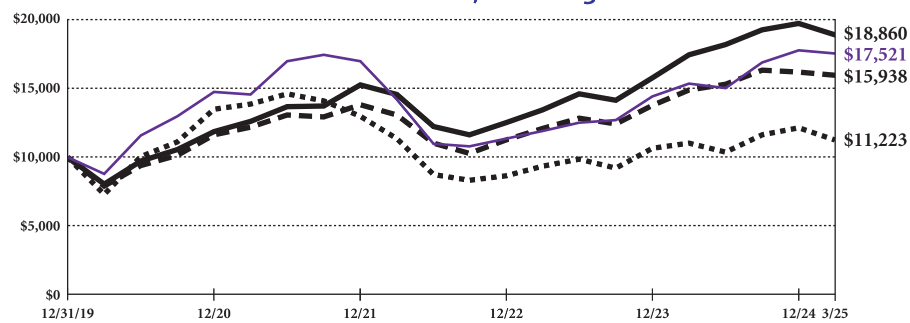
Returns

Not Annualized	Annualized			
3-Month	1-year	3-year	5-year	Since Inception
(2.54)%	(9.14)%	(0.95)%	10.55%	10.00%

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



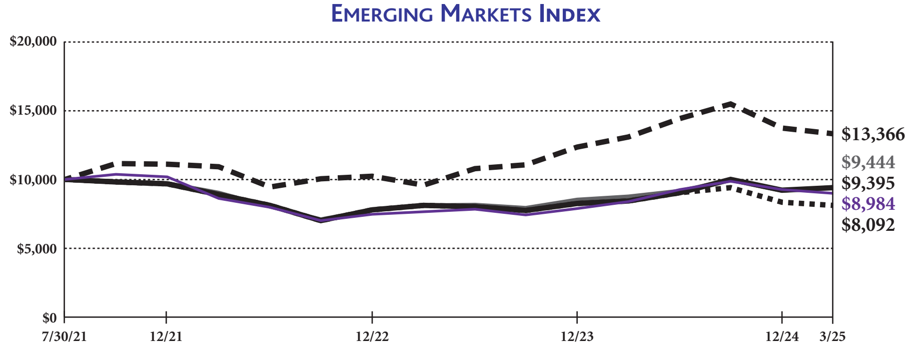
Returns

Not Annualized	Annualized			
3-Month	1-year	3-year	5-year	Since Inception
(1.31)%	14.29%	7.38%	14.90%	11.27%

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
(2.93)%	7.47%	1.39%	(2.88)%

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, and MSCI ACWI Index include reinvestment of dividends, net of foreign withholding taxes, while the Russell 3000 Health Care Index, Russell 3000 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.

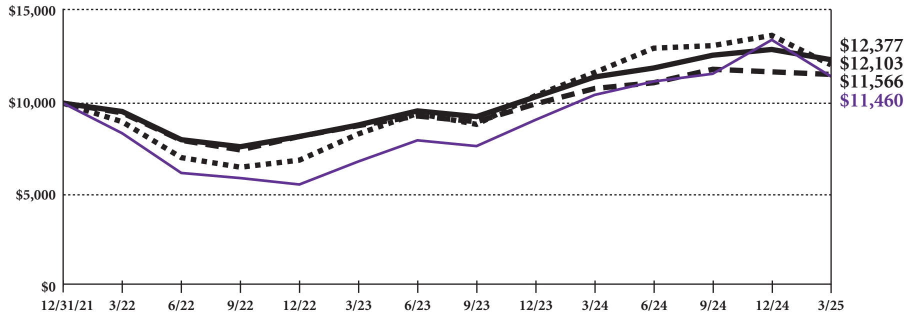
† As stated within the Supplement to the Prospectus and Statement of Additional Information dated April 26, 2024, effective September 1, 2024, Baron New Asia Fund® has changed its name to Baron India Fund®. For additional information please refer to the Supplement.

See index footnotes on page 17.

Baron Funds Performance

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	3-year	Since Inception
(14.80)%	9.77%	11.09%	4.28%

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

ANDREW PECK
PORTFOLIO MANAGER

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

Following a strong start to 2025, U.S. equities declined sharply in late February, and most broad market indexes finished the quarter down mid- to high single digits. Investors were initially enthusiastic about the prospects for the economy during President Trump's second term. Market sentiment began to shift, largely in response to Trump's plans to impose sweeping tariffs on major U.S. trade partners. In addition, higher-than-expected inflation data and softer economic readings stoked fears about possible stagflation. Lastly, investors moderated their enthusiasm for various perceived beneficiaries of AI, leading to a significant sell-off in the Magnificent Seven and other companies in the broader AI ecosystem.

Against this challenging market backdrop, Baron Asset Fund® (the Fund) generated solid outperformance, exceeding the Russell Midcap Growth Index (the Index) by 423 basis points (Institutional Shares) and recouping a meaningful portion of relative losses from the prior quarter. The Fund's outperformance stemmed from a combination of positive stock selection and style tailwinds, as investors gravitated to the types of businesses the Fund favors during this "risk off" environment. After driving notable gains in the Index last year, stocks with high measures of Beta and Residual Volatility suffered as the market turned sharply lower in the latter half of the quarter, and the Fund benefited from its meaningful underexposure to these securities.

Table I.
Performance
Annualized for periods ended March 31, 2025

	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]	(2.95)%	(2.89)%	(7.12)%	(4.72)%
One Year	1.22%	1.47%	3.57%	7.22%
Three Years	2.79%	3.06%	6.16%	8.22%
Five Years	11.03%	11.32%	14.86%	18.18%
Ten Years	9.60%	9.89%	10.14%	11.80%
Fifteen Years	11.36%	11.66%	12.20%	12.76%
Since Inception (June 12, 1987)	11.07%	11.19%	10.21%[4]	10.26%

Favorable stock selection in Communications Services, Information Technology (IT), and Financials accounted for virtually all of the outperformance in the quarter. Strength in Communications Services was widespread, led by private AI model developer **X.AI Holdings Corp.**[6] and global digital music service **Spotify Technology S.A.** As discussed below, xAI shares were revalued higher after the company announced its acquisition of X, formerly Twitter. We expect the deal will generate growth and integration opportunities between the two companies. Spotify's stock was lifted by another impressive beat in gross margins and a healthy increase in operating margins driven by its high-margin artist promotions marketplace, growing contribution from podcasts, and structural investments in advertising. In addition, its users continue to grow at a double-digit pace despite price hikes.

Within IT, the Fund registered gains from property and casualty (P&C) insurance software vendor **Guidewire Software, Inc.** and **Roper**

Performance listed in the above table is net of annual operating expenses. Annual expense ratio for the Retail Shares and Institutional Shares as of January 28, 2025 was 1.30% and 1.04%, respectively. The performance data quoted represents past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original cost. The Fund's transfer agency expenses may be reduced by expense offsets from an unaffiliated transfer agent, without which performance would have been lower. Current performance may be lower or higher than the performance data quoted. For performance information current to the most recent month end, visit BaronCapitalGroup.com or call 1-800-99-BARON.

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 June 30, 1987 to March 31, 2025.

5 Not annualized.

6 On March 28, 2025, X.AI Holdings Corp. (X.AI Holdings) acquired social media platform X Holding Corp. (X) and artificial intelligence company X.AI Corp. (xAI) in an all-stock transaction. The deal valued X at $33 billion and xAI at $80 billion, making the combined X.AI Holdings entity worth $113 billion.

Technologies, Inc., a diversified technology company. Guidewire's stock bounced back as the company's annual recurring revenue (ARR) benefited from additional new customer wins. Roper owns a portfolio of businesses with market-leading software and technology-enabled products. The company has a high percentage of recurring revenue and maintains high cash returns on investment in defensible niche businesses. Roper's shares increased as these characteristics proved desirable amid the market rotation into more defensive businesses driven by tariff-related concerns.

Strength in Financials came from specialty insurer **Arch Capital Group Ltd.** and brokerage firm **The Charles Schwab Corporation**. Arch's stock rebounded from weakness in the prior quarter due to favorable operating trends and the relative stability of insurance stocks in a "risk-off" market. The company reported better-than-expected earnings, and returns on equity remained strong in the high teens despite elevated catastrophe losses from Hurricane Milton. Schwab's shares outperformed for a second consecutive quarter, helped by an improved earnings outlook. After reaching trough levels last year, Schwab's cash balances continued to trend higher during the quarter. Investors believe Schwab will use these balances to pay down higher cost borrowings, which should drive net interest income and earnings higher.

Solid stock selection in Real Estate and Industrials also added value, with real estate data and marketing platform **CoStar Group, Inc.** and data and analytics vendor **Verisk Analytics, Inc.** accounting for most of the gains. CoStar's shares rose on signs that its core commercial real estate market is recovering, coupled with some favorable datapoints for Homes.com, its residential business. Verisk gained in response to solid quarterly results and upbeat commentary from CEO Lee Shavel about the company's growth potential in 2025. Somewhat offsetting these positive contributions to the Fund's performance were adverse stock selection in the Health Care and Consumer Discretionary sectors, along with lack of exposure to the top performing Energy sector. Weakness in Health Care was driven by sharp declines from pharmaceutical packaging manufacturer **West Pharmaceutical Services, Inc.** and life sciences tools developer **Bio-Techne Corporation**. As discussed below, West faced setbacks in two discrete areas of its business, leading management to issue 2025 earnings guidance that was materially below investor expectations. Bio-Techne's stock fell after the National Institutes of Health announced a new policy on funding for indirect costs for scientific research at academic laboratories that could have a negative impact on some of its customers.

Several holdings weighed on performance in Consumer Discretionary, led by sharp declines from global hotelier **Hyatt Hotels Corporation** and premium footwear and apparel brand **On Holding AG**. Hyatt's shares detracted as Trump's tariff policies generated heightened uncertainty around the near-term macroeconomic environment and its potential impact on global travel. On's shares fell in concert with the broad sell-off in higher growth stocks, coupled with concerns about the potential impact of tariffs on its Vietnamese manufacturing operations.

Table II.
Top contributors to performance for the quarter ended March 31, 2025

	Year Acquired	Contribution to Return (%)
X.AI Holdings Corp.	2024	1.29
Guidewire Software, Inc.	2013	0.48
Verisk Analytics, Inc.	2009	0.39
CoStar Group, Inc.	2016	0.38
Roper Technologies, Inc.	2011	0.35

X.AI Holdings Corp. is developing an AI model "to understand the true nature of the universe." In the short period since its inception, xAI launched the third version of its AI model, Grok 3. Grok demonstrated elevated user engagement and top scores in evaluation tests, surpassing other industry-leading AI models. The company also commenced using its Colossus data center, operating more than 100,000 Graphical Processing Units, considered the world's largest coherent training center. Grok 3 was the first model trained on xAI's own data center, leveraging more than 10 times the compute that was used to train Grok 2. These early achievements showcased xAI's ability to drive rapid innovation cycles and furthered our belief that the company will maintain a leadership position in the lucrative AI industry. In addition, xAI recently announced its acquisition of X, formerly Twitter. We expect the deal will generate growth and integration opportunities between the two companies, improving innovation and efficiencies. We value the stock based on recent share transactions, including its recently announced merger.

Shares of P&C insurance software vendor **Guidewire Software, Inc.** contributed to performance in the quarter. After a multi-year period, we believe Guidewire's cloud transition is substantially complete, and cloud architecture will be the sole product path going forward. We expect its ARR to continue benefiting from new customer wins and migrations of the existing customer base to InsuranceSuite Cloud. We also expect the company to shift R&D resources to product development from infrastructure investment, which will help drive cross-sales into its sticky installed base and potentially accelerate ARR over time. We are also encouraged by Guidewire's subscription-based gross margin expansion, which improved by more than 1,000 basis points 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%.

Shares of **Verisk Analytics, Inc.**, a leading data and analytics vendor, contributed to performance. The company reported solid quarterly results, including particularly strong organic revenue growth. CEO Lee Shavel also sounded upbeat about Verisk's growth potential in 2025. Verisk also benefited from the investor rotation into more defensive stocks driven by tariff-related uncertainty. We maintain conviction in the company's competitive positioning, long-term growth, margin expansion, and its ability to deploy capital accretively.

Table III.
Top detractors from performance for the quarter ended March 31, 2025

	Year Acquired	Contribution to Return (%)
Gartner, Inc.	2007	–1.23
The Trade Desk	2019	–0.69
West Pharmaceutical Services, Inc.	2014	–0.52
Dayforce, Inc.	2018	–0.47
Hyatt Hotels Corporation	2009	–0.42

Shares of **Gartner, Inc.**, a provider of syndicated research focused primarily on the technology sector, fell on uncertainty around the impact of government spending reductions on the business. We estimate U.S. federal customers comprise about 5% of Gartner's total research contract value, with about half from the Department of Defense and Intelligence organizations and half from civilian agencies. While Department of Government Efficiency-driven cost scrutiny is high, we believe Gartner's services deliver significant value to users, including the potential for hard dollar savings. The private sector business appears well positioned for sustained growth, and management is adept at exercising cost controls to sustain or enhance margins and free cash flow (FCF). The company's balance sheet is in excellent shape, and we expect management to take advantage of this share price drawdown with aggressive share repurchases.

The Trade Desk is the leading internet advertising demand-side platform, enabling agencies to efficiently purchase digital advertising across PC, mobile, and online video channels. Shares fell after the company missed earnings for the first time in 33 quarters. Since the most recent earnings report, we have done substantial research to test our investment thesis. We believe the miss was due largely to a company reorganization in December and delays in its Kokai platform rollout, both of which we believe have since improved. While we continue to watch the competitive landscape as Amazon enters the market more meaningfully, we believe Trade Desk still represents the best option for biddable Connected TV (CTV) inventory. We note Trade Desk gained share against the incumbent Google in the last five years, even when Google charged low/no fees, and major companies like Netflix, Disney, and Spotify have opened their ad inventory to Trade Desk. Its market remains large and underpenetrated, as the shift to CTV advertising is still in its early stages.

West Pharmaceutical Services, Inc. is a leading manufacturer of drug packaging components and delivery systems for injectable drugs. Although management expects the core business to perform well in 2025, shares fell on setbacks in two other areas of the business. First, West declined to renew two contracts in its contract manufacturing business due to unfavorable economics. We would note that, compared to the core business, the contract manufacturing business is low margin and low value. Second, some high margin 2024 revenue with a large customer for West's Smart Dose On-Body Delivery System will not repeat in 2025. As a result, 2025 earnings guidance was materially below investor expectations. While we are disappointed with the re-set, we think earnings can grow at a mid-teens rate from this new level.

Portfolio Structure

As of March 31, 2025, the Fund held 52 positions. The Fund's 10 largest holdings represented 50.6% of net assets, and the 20 largest represented 72.8%. The Fund's largest weighting was in the IT sector at 26.3% of net assets. This sector includes software companies, IT consulting firms, and electronic components companies. The Fund held 21.8% 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 held 16.2% of its net assets in the Health Care sector, which includes investments in life sciences companies, and health care equipment, technology, and supplies companies. The Fund also had significant weightings in Financials at 13.8% and Consumer Discretionary at 7.7%.

As the chart below shows, the Fund's largest investments have mostly 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 March 31, 2025

	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	32.2	321.2	8.2
Verisk Analytics, Inc.	2009	4.0	41.7	224.2	5.7
IDEXX Laboratories, Inc.	2006	2.5	34.0	217.4	5.5
Guidewire Software, Inc.	2013	2.8	15.7	215.8	5.5
Space Exploration Technologies Corp.	2020	47.0	349.1	208.2	5.3
Arch Capital Group Ltd.	2003	0.9	36.1	191.1	4.9
Mettler-Toledo International Inc.	2008	2.4	24.6	173.7	4.4
CoStar Group, Inc.	2016	5.0	33.4	170.9	4.3
Fair Isaac Corporation	2020	12.1	45.0	136.5	3.5
Roper Technologies, Inc.	2011	7.4	63.3	134.5	3.4

Recent Activity

Table V.
Top net purchases for the quarter ended March 31, 2025

	Quarter End Market Cap ($ billions)	Net Amount Purchased ($ millions)
Vertiv Holdings Co	27.5	21.8
SailPoint, Inc.	10.4	12.3
DraftKings Inc.	16.3	10.6
The Trade Desk	27.1	2.2
Procore Technologies, Inc.	9.9	2.0

We took advantage of meaningful price weakness to initiate a position in **Vertiv Holdings Co** during the quarter. Vertiv is a global leader providing critical data infrastructure solutions for data centers, communication networks, and commercial and industrial businesses. The company's core competency is providing solutions to cool and power data centers. These tasks are technically complex and integral to the successful construction of data centers, and we expect building trends to remain robust because of the continued rapid adoption of AI.

Vertiv has a portfolio of both air and liquid cooling solutions. The company's equipment is required as rack density in AI data centers is expected to increase from 5-10/kW per rack to potentially upwards of 900-1,000+/kW per rack over the next five years due to the adoption of advanced semiconductor chips. Higher energy density racks generate more heat and will require liquid cooling, as water has a heat carrying capacity 3,500 times higher than that of air. We think Vertiv is well positioned to maintain its leadership in this burgeoning market opportunity because of its technology, its strategic partnership with NVIDIA (the largest manufacturer of AI chips), its strong service network, and its ability to scale manufacturing quickly and reliably to meet its customers' global needs.

At its most recent investor event in November 2024, Vertiv gave long-term revenue growth guidance that implies a 12% to 14% CAGR through 2029, and we think this figure could prove conservative. While data centers are approximately 80% of Vertiv's total revenue, McKinsey has estimated global data center demand to grow at a 20% CAGR in its base case scenario or potentially up to 30% CAGR through 2030 in its accelerated scenario. Given uncertainty regarding future tariff policy, we are reassured that a small percentage of the company's manufacturing inputs are sourced from China. With healthy revenue growth and continued margin expansion, we believe that Vertiv has the potential to grow its EBITDA at a mid to high teens rate into the foreseeable future.

DraftKings Inc. is a dominant player in the domestic online sports betting industry, which is evolving towards a favorable duopoly market structure. Jason Robbins, the company's CEO and founder, built a culture of technological and marketing innovation to create a top sports betting product while competing against international peers with a large head start in the category. We believe the company is positioned to capitalize on the rapid growth of the U.S. sports betting market. We expect online betting to expand at a 15% to 17% same-state growth rate over the next several years. Approximately half the U.S. population does not have access to sports betting, and future legalization of large states (such as Texas or Florida) could extend the growth runway of the industry into the 2030s.

DraftKings's financial model is inflecting positively because it has been operating in many states for more than three years. As a result of this maturation, the company has been able to rationalize its customer acquisition costs, which allows for high incremental margins to flow through its income statement. Promotions that are paid to acquire new customers have declined, and the company is recognizing economies of scale from national advertising campaigns. The stock has been under pressure because of concerns about potential state tax rate increases, macroeconomic uncertainty, and possibly unfavorable recent betting results. We believe investors have overestimated the impact of these factors. We expect the company to earn margins in line with management estimates under most tax scenarios. We expect a 30%-plus CAGR in FCF over the next several years as FCF margin expands from low single digits to over 20%. In addition, the company has an excellent balance sheet, and it has recently prioritized returning capital to shareholders through buybacks.

Table VI.
Top net sales for the quarter ended March 31, 2025

	Quarter End Market Cap or Market Cap When Sold ($ billions)	Net Amount Sold ($ millions)
ANSYS, Inc.	28.5	56.8
Gartner, Inc.	32.2	28.2
Verisk Analytics, Inc.	41.7	24.8
Fair Isaac Corporation	45.0	12.9
Guidewire Software, Inc.	15.7	12.7

We exited our position in simulation software company **ANSYS, Inc.** as it neared an expected acquisition by Synopsys, Inc., a large-cap leader in electronic design automation and semiconductor intellectual property. We managed down our positions in IT research firm **Gartner, Inc.**, our largest holding, and **Verisk Analytics, Inc.**, **Fair Isaac Corporation**, and **Guidewire Software, Inc.**

Outlook

As of the date of this letter, global markets have trended lower as investors try to make sense of the Trump administration's shifting economic policies. After last year's election, investors were optimistic that the prospect of deregulation, lower taxes, enhanced domestic energy production and laxer antitrust policies would lead to buoyant equity markets. Instead, issues including the unknown implications of higher tariffs, a potential trade war with both our enemies and allies, rising interest rates and a weakening dollar have given investors pause. As a result, the stock market has pulled back considerably after a two-year period when many broad market indexes gained more than 50%.

The stocks that led the market on the way up included many that were among the more speculative, including those with the most extended near-term valuations, high measures of beta and volatility, and perceived beneficiaries of AI expenditures. Many of these same stocks have recently led the market on the way down. The shift in market dynamics bolstered the Fund's performance during the past quarter, and we are optimistic that these trends are poised to continue.

Although we do not make investments predicated on our view of changing macroeconomic or political developments, we do believe the future policies of the Trump administration are likely to remain volatile. We believe that the types of businesses we favor – high-quality companies that benefit from long-term secular growth drivers with highly visible and growing earnings streams – will continue to perform well in this climate, and we believe they are likely to be favored by investors.

Thank you for your ongoing confidence.

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.

Beta explains common variation in stock returns due to different stock sensitivities to market or systematic risk that cannot be explained by the US Country factor. Positive exposure indicates high beta stock. Negative exposure indicates low beta stock. 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. **Residual Volatility** factor captures the volatility of the stock specific return component of a security. The stock specific return component tries to describe the idiosyncratic behavior of a company's stock price movements that is not attributable to other factors in the Barra risk model.

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 Growth Fund Shareholder:

Performance

Baron Growth Fund® (the Fund) declined 4.25% (Institutional Shares) for the quarter ended March 31, 2025. This exceeded the return of the Fund's benchmark, the Russell 2000 Growth Index (the Benchmark), which fell 11.12% for the quarter. The Russell 3000 Index, which measures the performance of the 3,000 largest publicly traded U.S. companies, declined 4.72% for the quarter.

Stocks declined significantly as the Trump administration moved to rapidly implement its agenda. These changes have the potential to upend decades of established trade practices and domestic policies while also reshaping long-standing international relationships. We exclusively invest in businesses with large addressable markets and sustainable competitive advantages run by superior management teams, which helps us to protect capital during periods of elevated uncertainty while also generating compelling growth prospects across 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 March 31, 2025

	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]	(4.31)%	(4.25)%	(11.12)%	(4.72)%
One Year	(4.94)%	(4.70)%	(4.86)%	7.22%
Three Years	0.90%	1.16%	0.78%	8.22%
Five Years	12.76%	13.04%	10.78%	18.18%
Ten Years	9.02%	9.30%	6.14%	11.80%
Fifteen Years	11.20%	11.48%	9.51%	12.76%
Since Inception (December 31,1994)	12.18%	12.33%	7.43%	10.54%

Stocks declined meaningfully to begin the year as the new administration proposed or enacted far-reaching changes that threaten to upend the post-war economic order. Tariffs captured most of the headlines, with investors debating their ultimate magnitude and duration and endeavoring to forecast their impact on GDP growth, inflation, and interest rates. Stocks also digested the impact of cost cuts by the Department of Government Efficiency (DOGE), significant changes to healthcare personnel and policy at the FDA and NIH, and new approaches to U.S. foreign policy. Outside of changes emanating from the U.S. Government, January's unexpected launch of DeepSeek R1 called into question many key assumptions underpinning the AI-trade that propelled so much of 2024's gains.

We are pleased with the Fund's strong relative performance to begin 2025, and that the Fund is again outperforming its Benchmark, albeit modestly, on a trailing 12-month basis. We are particularly gratified that our outperformance was primarily driven by favorable stock selection. This is the goal of our fundamentally oriented investment strategy and derives from our close collaboration with our large and growing research team.

Performance listed in the above table is net of annual operating expenses. Annual expense ratio for the Retail shares and Institutional shares as of January 28, 2025 was 1.30% and 1.08%, respectively (comprised of operating expenses of 1.03%, respectively, and interest expense of 0.05%, 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.

BARON FUNDS® 1987

Several of our biggest winners from 2024 posted attractive gains to begin this year. **Guidewire Software, Inc.**, the leading provider of core systems software to the property and casualty insurance (P&C) industry, gained 11.1% after appreciating 54.6% last year. We estimate that Guidewire has incurred almost $2 billion of cumulative expenses over the last five years to develop and support its cloud offering, a level that exceeds that of its competitors by an order of magnitude. This investment has created a sustainably differentiated software platform with best-in-class capabilities, a near-perfect implementation track record, and a robust ecosystem of software and implementation partners. We believe that insurers are accelerating their transition to cloud-delivered core systems and that Guidewire is poised to be the digital backbone for the majority of the $2 trillion global P&C insurance industry.

Similarly, excess and surplus (E&S) insurer **Kinsale Capital Group, Inc.** gained 4.7% in the quarter after appreciating 38.9% in 2024. Kinsale continues to gain market share in a large and growing market and is successfully converting attractive premium growth to industry-leading margins and robust returns on equity. It recently announced the first share repurchase in company history, which we believe adds an additional dimension of capital return to its compelling growth algorithm. We believe that Kinsale's agile underwriting process, best-in-class loss ratios, and disciplined risk-taking will enable it to generate 10% to 20% annual premium growth while generating outstanding returns on capital.

Additionally, some businesses that incurred elevated growth investments or experienced short-term end-market cyclicality reported improved results to begin this year. **CoStar Group, Inc.**, a leader in real estate information, analytics, and marketplaces, gained 10.7% in the quarter after declining 18.1% last year. CoStar has spent three years building its Homes.com residential real estate marketplace, which we estimate will serve a total addressable market that exceeds $15 billion in the U.S. CoStar is investing heavily to pursue this opportunity, spending almost $1 billion in 2024 and anticipating a similar level of spend for 2025. The significant upfront investment is consistent with the scale of the opportunity but has weighed on the stock given that costs are incurred before the company can begin to generate revenue. The company took an "all hands" approach to selling Homes.com in 2024, which generated some revenue but came at the expense of lower non-residential sales. We believe that management has now struck a more appropriate balance. Non-residential salespeople have re-focused on their traditional end markets and are being supplemented by a new 300-person strong residential sales force. We have observed a recovery in gross sales and are optimistic that this will result in faster aggregate revenue growth.

Our performance also benefited from our philosophy of exclusively investing in competitively advantaged businesses and holding them for the long term. Our portfolio has become relatively more concentrated over the past several years. We believe this has helped to increase its profitability, cash generation, and returns on capital compared to its historical composition and our Benchmark, while maintaining the same aggregate growth profile. For example, the operating margin of the portfolio has improved to 28.5%, which is 550 basis points above our historical average and 19.8% above our Benchmark. We do not presently own any businesses that are unprofitable. Similarly, the free cash flow margin of the portfolio has expanded to 32.3%, which is 11% above our historical average and 22.5% above the Benchmark. Finally, the return on invested capital (ROIC) of the portfolio has risen to 18.1%, which is 470 basis points above our historical average. The weighted average ROIC of our Benchmark is an anemic 1.3%. We believe that the high quality of the individual stocks in which we have invested, coupled with our long holding period, helps to reduce the aggregate risk of the portfolio while generating attractive levels of compound growth.

Our improved results are consistent with our historical experience, where periods of meaningful outperformance frequently follow periods of relative underperformance. Over the last 10 years, the Fund has experienced four periods of underperformance. On average, these periods of underperformance lasted for just over a year, with the average shortfall being 8.5% cumulatively or 7.3% 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 almost two years, and on average the Fund outperformed by 27.2% cumulatively or 14.4% annualized. This has aggregated into excellent absolute and relative results for the Fund over time, with our performance exceeding that of the Benchmark over the trailing 1-, 3-, 5-, 10-year, and since-inception periods.

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

Table II.
Total returns by category for the three months ended March 31, 2025

	Percent of Net Assets (%)	Total Return (%)	Contribution to Return (%)
Financials	**53.8**	**–1.95**	**–0.78**
Primerica, Inc.	5.7	5.22	0.27
Kinsale Capital Group, Inc.	7.2	4.69	0.35
Arch Capital Group Ltd.	13.3	4.14	0.59
Clearwater Analytics Holdings, Inc.	0.1	–2.62	–0.01
FactSet Research Systems Inc.	7.2	–5.14	–0.36
MSCI Inc.	11.4	–5.48	–0.58
Houlihan Lokey, Inc.	1.2	–6.70	–0.08
Morningstar, Inc.	4.5	–10.84	–0.48
Cohen & Steers, Inc.	2.1	–12.51	–0.29
The Carlyle Group Inc.	0.9	–13.30	–0.13
Moelis & Company	0.3	–20.33	–0.08
Core Growth	**23.4**	**–5.70**	**–1.40**
Bright Horizons Family Solutions, Inc.	0.6	14.25	0.10
Guidewire Software, Inc.	2.6	11.14	0.20
CoStar Group, Inc.	6.0	10.66	0.53
Trex Company, Inc.	0.0	3.19	0.01
IDEXX Laboratories, Inc.	2.4	1.57	0.01
Mettler-Toledo International Inc.	1.1	–3.50	–0.05
Gartner, Inc.	8.8	–13.39	–1.42
Bio-Techne Corporation	1.5	–18.22	–0.32
Neogen Corp.	0.2	–28.58	–0.07
Krispy Kreme, Inc.	0.2	–51.55	–0.39
Real/Irreplaceable Assets	**17.4**	**–5.99**	**–1.13**
Gaming and Leisure Properties, Inc.	4.1	7.36	0.26
Alexandria Real Estate Equities, Inc.	0.0	6.51	0.01

Table II. (continued)

	Percent of Net Assets (%)	Total Return (%)	Contribution to Return (%)
Real/Irreplaceable Assets (continued)			
Red Rock Resorts, Inc.	1.6	–5.70	–0.11
Choice Hotels International, Inc.	6.4	–6.29	–0.49
Vail Resorts, Inc.	5.2	–13.46	–0.67
Douglas Emmett, Inc.	0.0	–13.85	–0.14
Disruptive Growth	**6.2**	**–8.85**	**–0.65**
Altair Engineering Inc.	0.0	1.24	0.00
Farmers Business Network, Inc.	0.0	0.00	0.00
Northvolt AB	0.0	0.00	0.00
Iridium Communications Inc.	2.6	–5.39	–0.19
ANSYS, Inc.	2.6	–6.40	–0.18
FIGS, Inc.	0.9	–25.85	–0.28
Russell 2000 Growth Index		**-11.12**	
Cash and Cash Equivalents	**–0.7**	**–**	**–**
Fees	**–**	**–0.30**	**–0.30**
Total	**100.0***	**-4.26****	**–4.26****

Sources: Baron Capital, FTSE Russell, and FactSet PA.
* *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 17.4% and 53.8% of the Fund's net assets, and aggregate to 94.6%. Another 6.2% of net assets 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, all four categories outperformed the Benchmark in the quarter due to their higher quality and lower perceived risk.

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 3/31/2025	Millennium Internet Bubble to Present 12/31/1999 to 3/31/2025	Inception 12/31/1994 to 3/31/2025
Alpha (%)	5.05	3.70	5.08	6.54
Beta	0.58	0.80	0.70	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 3/31/2025		Millennium Internet Bubble to Present 12/31/1999 to 3/31/2025		Inception 12/31/1994 to 3/31/2025	
	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	73,246	13.04	91,180	9.15	337,282	12.33
Russell 2000 Growth Index	6,476	–4.71	56,555	11.25	36,623	5.28	87,359	7.43
Russell 3000 Index	7,634	–2.95	82,416	13.86	62,919	7.56	207,393	10.54

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 12.33% on an annualized basis since its inception on December 31, 1994, which exceeds that of the Benchmark by 4.90% and the Russell 3000 Index by 1.79%, annualized. This represents robust absolute and relative returns across a variety of market environments, driven primarily by favorable stock selection. We attribute this result to not losing money during periods of significant market drawdowns, as well as robust absolute and relative performance versus the Benchmark during the most recent five-year period.

While the Fund did not make much money from December 31, 1999, through December 31, 2008, a period which includes the highs of the Internet Bubble and the lows of the Financial Panic, it did generate a positive annualized return of 2.46%. Conversely, a hypothetical investment in a fund designed to track the Fund's Benchmark would have declined in value by 4.71% on an annualized basis over the same time. Similarly, a hypothetical investment in a fund designed to track the Russell 3000 Index would have declined 2.95% annualized. (Please see Table IV–Millennium Internet Bubble to Financial Panic). From the Financial Panic to present, the Fund generated an annualized return of 13.04%, which has exceeded that of its Benchmark by 1.79% 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 $337,282 on March 31, 2025. This is approximately 3.9 times greater than the $87,359 the same hypothetical investment made in a fund designed to track the Benchmark would be worth, and over 60% more than a hypothetical investment in the Russell 3000 Index. Hypothetically, our returns were achieved with approximately 28% less volatility than the Benchmark, as represented by its beta. (Please see Tables III and IV.) Importantly, we believe that the returns in the portfolio have come primarily through the compounded growth in the revenue and cash flow of the businesses in which we have invested rather than increases in valuation multiples. We are pleased that our long-term investments in what we believe are competitively advantaged companies with attractive growth prospects and exceptional management teams have generated attractive returns in good markets and have helped to protect capital during more challenging ones.

Table V.

Top contributors to performance for the quarter ended March 31, 2025

	Year Acquired	Market Cap When Acquired ($ billions)	Quarter End Market Cap ($ billions)	Total Return (%)	Contribution to Return (%)
Arch Capital Group Ltd.	2002	0.4	36.1	4.14	0.59
CoStar Group, Inc.	2004	0.7	33.4	10.66	0.53
Kinsale Capital Group, Inc.	2016	0.6	11.3	4.68	0.35
Primerica, Inc.	2010	1.0	9.5	5.22	0.27
Gaming and Leisure Properties, Inc.	2013	4.2	14.0	7.33	0.26

Shares of specialty insurer **Arch Capital Group Ltd.** rebounded from weakness in the prior quarter due to favorable operating trends and the relative stability of insurance stocks in a risk-off market. In the most recent quarter, the company reported better-than-expected earnings, and returns on equity remained strong in the high teens despite elevated catastrophe losses from Hurricane Milton. Management targets a 15% return on equity over a full cycle and expects to exceed the target in 2025 given firm market conditions. We continue to own the stock due to Arch's strong management team and our expectation of significant growth in earnings and book value.

CoStar Group, Inc. is the leading provider of information and marketing services to the commercial and residential real estate industry. Shares rose on an increase in the productivity of CoStar's sales force and signs of a start to the recovery in the commercial real estate market. We remain encouraged by growth in traffic and brand awareness for CoStar's Homes.com marketplace and are optimistic that the buildout of a dedicated sales team and changes in Multiple Listing Service rules will improve residential sales momentum. We also believe growth in CoStar's non-residential business is poised to accelerate. Sales productivity has begun to improve as salespeople return to exclusively selling their core product, and we expect this to be amplified as the sales force expands by 20% or more in 2025. We believe the value of CoStar's core non-residential business exceeds the share price, implying that investors ascribe negative value to the residential opportunity.

Specialty insurer **Kinsale Capital Group, Inc.** contributed to performance due to continued growth in the company's end market and the relative stability of insurance stocks in a risk-off market. The company reported better-than-expected earnings in the most recent quarter despite slowing premium growth. Earnings per share grew 19% and return on equity remained elevated at 30% due to strong underwriting margins and higher investment income. E&S insurance market conditions remain favorable with recent state data indicating continued double-digit growth due to share gains from the standard market. We continue to own the stock because we believe Kinsale is well managed and has a long runway for growth in an attractive segment of the insurance market.

Table VI.

Top detractors from performance for the quarter ended March 31, 2025

	Year Acquired	Market Cap When Acquired ($ billions)	Quarter End Market Cap ($ billions)	Total Return (%)	Contribution to Return (%)
Gartner, Inc.	2007	2.3	32.2	–13.37	–1.42
Vail Resorts, Inc.	1997	0.2	6.0	–13.46	–0.67
MSCI Inc.	2007	1.8	43.9	–5.47	–0.58
Choice Hotels International, Inc.	1996	0.4	6.2	–6.29	–0.49
Morningstar, Inc.	2005	0.8	12.8	–10.84	–0.48

Shares of **Gartner, Inc.**, a provider of syndicated research, fell on uncertainty regarding the impact of government spending reductions on its business. We estimate U.S. federal exposure is about 5% of Gartner's total research contract value, with about half from the Department of Defense and Intelligence organizations and half from civilian agencies. While DOGE-driven cost scrutiny is high, we believe Gartner's services deliver significant value to users, including the potential for hard dollar savings. Gartner's revenue from private sector customers appears better positioned for growth, and management is adept at exercising cost controls to sustain or enhance margins and free cash flow. The company's balance sheet is in excellent shape, and we expect management to take advantage of this drawdown with aggressive share repurchases.

Global ski resort company **Vail Resorts, Inc.** detracted on investor concerns that a potential recession would result in a slowdown in visitation and spend. While we are closely monitoring economic conditions, Vail has not yet experienced significant declines in visitation or spend levels at its resorts. Favorable late-season ski conditions produced an uptick in destination skiers, who tend to stay longer and spend more. A base of recurring revenue from season pass sales provides visibility into earnings and cash flow. We expect to see EBITDA growth in 2025 with enough free cash flow to fund Vail's well-covered 6% dividend. A strong balance sheet and high-end customer base should provide resiliency in the event of a slowdown.

Shares of **MSCI Inc.**, a leading provider of investment decision support tools, detracted from performance. The company reported solid quarterly earnings and gave preliminary 2025 guidance largely in line with expectations. End-market pressures persisted, but management sounded more upbeat regarding 2025 when discussing both the new sales pipeline and a normalization in cancellations after an elevated 2024. 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.

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 March 31, 2025, our weighted average holding period was 18 years. This is dramatically longer than most other small-cap growth funds, which, according to Morningstar, turn over about 67% of their portfolios annually based on an average for the last three years. The portfolio's 10 largest positions have a weighted average holding period of 19.5 years, ranging from an 8.3-year investment in **Kinsale Capital Group, Inc.** to investments in **Choice Hotels International, Inc.** and **Vail Resorts, Inc.** of 28 years. We have held 20 investments, representing 89.2% of the Fund's net assets, for more than 10 years. We have held 9 investments, representing 11.6% of the Fund's net assets, for fewer than 10 years. We believe that Table VII and Table VIII quantify the merits of our long-term holding philosophy.

Table VII.
Top performing stocks owned more than 10 years

	Year Acquired	Cumulative Total Return Since Date Acquired (%)	Annualized Return Since Date Acquired (%)
Choice Hotels International, Inc.	1996	3,707.0	13.7
Arch Capital Group Ltd.	2002	3,437.7	16.8
IDEXX Laboratories, Inc.	2005	2,817.8	18.2
MSCI Inc.	2007	2,442.6	20.5
CoStar Group, Inc.	2004	1,878.8	15.8
Gartner, Inc.	2007	1,795.8	18.2
Primerica, Inc.	2010	1,607.4	20.8
Morningstar, Inc.	2005	1,569.4	15.2
Mettler-Toledo International Inc.	2008	1,537.0	18.7
Cohen & Steers, Inc.	2004	1,444.5	14.2
ANSYS, Inc.	2009	1,118.0	16.7

The cohort of investments that we have held for more than 10 years earned a weighted average annualized rate of return of 16.0% since we first purchased them. This exceeded the performance of the Fund's Benchmark by 8.1% annualized. Four of these investments have achieved annualized returns that exceeded the Benchmark by more than 10% per year.

Table VIII.
Top performing stocks owned less than 10 years

	Year Acquired	Cumulative Total Return Since Date Acquired (%)	Annualized Return Since Date Acquired (%)
Kinsale Capital Group, Inc.	2016	1,737.6	41.8
Houlihan Lokey, Inc.	2017	357.1	22.6
Moelis & Company	2015	328.4	15.9
Red Rock Resorts, Inc.	2016	194.9	12.9
Clearwater Analytics Holdings, Inc.	2023	80.1	33.0

The cohort of investments that we have held for fewer than 10 years has returned 28.1% annually on a weighted average basis since our initial purchase, exceeding the Benchmark by 21.1% annualized. Three 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 March 31, 2025, we owned 29 investments. The top 10 holdings represented 75.6% of the Fund's net assets, all of which have been held for a minimum of eight years. All were small-cap businesses at the time of purchase and have become top 10 positions through stock appreciation. Our holdings in these stocks have returned 18.9% annually based on weighted average assets since our initial investment, exceeding the Benchmark by an average of 11.3% 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 March 31, 2025

	Year Acquired	Market Cap When Acquired ($ billions)	Quarter End Market Cap ($ billions)	Quarter End Investment Value ($ millions)	Percent of Net Assets (%)
Arch Capital Group Ltd.	2002	0.4	36.1	822.3	13.3
MSCI Inc.	2007	1.8	43.9	706.9	11.4
Gartner, Inc.	2007	2.3	32.2	545.7	8.8
Kinsale Capital Group, Inc.	2016	0.6	11.3	445.3	7.2
FactSet Research Systems Inc.	2006	2.5	17.3	443.3	7.2
Choice Hotels International, Inc.	1996	0.4	6.2	398.3	6.4
CoStar Group, Inc.	2004	0.7	33.4	370.4	6.0
Primerica, Inc.	2010	1.0	9.5	352.8	5.7
Vail Resorts, Inc.	1997	0.2	6.0	320.0	5.2
Morningstar, Inc.	2005	0.8	12.8	275.9	4.5

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: 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 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. **Return on Invested Capital (ROIC)** is a calculation used to determine how well a company allocates its capital to profitable projects or investments.

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 Small Cap Fund

Dear Baron Small Cap Fund Shareholder:

Performance

Baron Small Cap Fund® (the Fund) was down 9.07% (Institutional Shares) in the first quarter, outperforming the Russell 2000 Growth Index (the Index) by 205 basis points. Small-cap stocks continued to meaningfully underperform larger market caps, so the Fund lagged the Russell 3000 Index, which fell 4.72% in the quarter.

Though our relative performance was good, it was a tough and unsatisfying quarter because we sustained losses on an absolute basis.

As shown in the charts below, the Fund has a strong long-term record, which compares favorably with the Index for almost all periods.

CLIFF GREENBERG
PORTFOLIO MANAGER

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

Table I.
Performance
Annualized for periods ended March 31, 2025

	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]	(9.10)%	(9.07)%	(11.12)%	(4.72)%
One Year	(7.85)%	(7.60)%	(4.86)%	7.22%
Three Years	2.16%	2.42%	0.78%	8.22%
Five Years	13.71%	14.00%	10.78%	18.18%
Ten Years	8.57%	8.85%	6.14%	11.80%
Fifteen Years	10.68%	10.96%	9.51%	12.76%
Since Inception (September 30, 1997)	9.66%	9.82%	5.93%	8.60%

The quarter started off strong. The market rallied on optimism that the economic environment was improving because of the pro-business stance of the Trump administration (lower taxes, less regulation), moderating inflation expectations, and renewed focus on fiscal responsibility including efforts to reduce government spending and enhance efficiency. We had encouraging conversations with the executives who run the businesses of the companies in which we invest. One CEO proclaimed the "optimism is demonstrative," as he explained that his clients were decisively moving forward with growth initiatives that had been on hold. We believed that growth was going to accelerate, that our companies would do better, and their stocks were cheap and had great upside, considering this outlook.

It didn't play out that way. The introduction of a Chinese AI app called DeepSeek shook up the picture for the rollout of AI infrastructure. Shares of the market leading tech stocks benefiting from the AI boom fell significantly. Corporate earnings results for the December quarter were uninspiring, and any sign of weakness caused major stock declines in a very skittish market. The Federal Reserve (the Fed) paused its consideration of rate cuts. And later in the quarter, Trump started to roll out his tariff plan. At first, there were targeted tariffs focused on certain industries and traditional U.S. trading

Performance listed in the above table is net of annual operating expenses. Annual expense ratio for the Retail Shares and Institutional Shares as of January 28, 2025 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.

BARON FUNDS 1987

partners. The levels were viewed as draconian, and the approach was seen as aggressive, unpredictable, and inflationary. The outlook for growth went from positive to negative, hurting growth stocks and small caps the most.

The Fund's outperformance was due to stock selection (+4% effect) and tailwinds from style biases, notably lower exposure to the weak performing Beta factor and over-exposure to top performing Size factor (larger caps).

From a sector perspective, strong stock selection in Information Technology (IT), Consumer Discretionary, and Financials was responsible for most of the relative gains in the period. Strength in IT came mostly from insurance software vendor **Guidewire Software, Inc. Bright Horizons Family Solutions, Inc.**, a corporate daycare provider, and **The Cheesecake Factory, Inc.**, a multi-chain restaurant operator, led the way in the Consumer Discretionary sector. Within Financials, specialty insurer **Kinsale Capital Group, Inc.** and insurance broker **The Baldwin Insurance Group, Inc.** were up nicely in a down tape.

On the flip side, our underexposure to Health Care, namely strong performing pharmaceutical stocks, along with declines from food and animal safety products provider **Neogen Corp.** contributed to relative weakness in the sector. **The Trade Desk**, an internet advertising demand-side platform, fell sharply, negatively impacting performance in Communication Services.

The Fund had a weighted average beta of 0.78 entering the period, well below the Index. Historically, our lower beta, along with our tilt towards 'quality' growth stocks, are reasons why the Fund tends to outperform the Index in down markets, and that is what played out in the first quarter.

Table II.
Top contributors to performance for the quarter ended March 31, 2025

	Contribution to Return (%)
The Baldwin Insurance Group, Inc.	0.42
Guidewire Software, Inc.	0.39
Kinsale Capital Group, Inc.	0.27
TransDigm Group Incorporated	0.25
Bright Horizons Family Solutions, Inc.	0.23

Shares of insurance broker **The Baldwin Insurance Group, Inc.** rebounded from weakness in the prior quarter due to favorable operating trends and the relative stability of insurance stocks in a risk-off market. In the most recent quarter, the company reported strong results with 16% revenue growth, 38% EBITDA growth, and net leverage moderating to 4.1x. For 2025, management expects continued double-digit organic growth and margin expansion, despite higher costs related to the California wildfires and the replacement of an insurance carrier for its homeowner's insurance business. Management reaffirmed the goal of achieving $3 billion of revenue and 30% EBITDA margins within five years, implying a near-tripling of earnings. Even coming close to those aspirations would lead to great stock performance from current levels.

Shares of property and casualty (P&C) insurance software vendor **Guidewire Software, Inc.** contributed to performance in the quarter. We believe Guidewire's cloud transition is substantially over, and 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 InsuranceSuite Cloud. We are encouraged by Guidewire's subscription-based gross margin expansion, which improved by more than 1,000 basis points 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%.

Specialty insurer **Kinsale Capital Group, Inc.** contributed to performance due to continued growth in the company's end market and the relative stability of insurance stocks in a risk-off market. The company reported better-than-expected earnings in the most recent quarter, despite slowing premium growth. Earnings per share grew 19% and return on equity remained elevated at 30% due to strong underwriting margins and higher investment income. Excess & Surplus insurance market conditions remain favorable with recent data indicating continued double-digit growth due to share gains from the Standard market. We believe Kinsale is well managed and has a long runway for growth in an attractive segment of the insurance market.

Other holdings that rose over 10% in a difficult quarter but added less to the overall returns were **Bright Horizons Family Solutions, Inc.**, **Kratos Defense & Security Solutions, Inc.**, **Waste Connections, Inc.**, and recent addition **Karman Holdings Inc.**

Table III.
Top detractors from performance for the quarter ended March 31, 2025

	Contribution to Return (%)
Vertiv Holdings Co	–2.04
The Trade Desk	–0.89
Gartner, Inc.	–0.73
Chart Industries, Inc.	–0.72
ASGN Incorporated	–0.55

Shares of **Vertiv Holdings Co**, a provider of power, cooling, and infrastructure solutions for data centers, sold off sharply during the quarter after the introduction of the surprisingly efficient DeepSeek AI app raised investor concerns that there would be less need for capital expenditures in the data center industry than projected and, accordingly, would slow Vertiv's growth rate. In addition, after strong outperformance in 2024, investor concerns that orders could slow in upcoming quarters, as customers go through a digestion period of related spend, caused a revaluation of the entire space. We believe Vertiv maintains its competitive advantage and will benefit from increased capital spend and the complex roadmap related to new chip introductions, which will run hotter and require more advanced cooling solutions. We believe the stock is attractively valued in the context of its long-term growth potential.

The Trade Desk is the leading internet advertising demand-side platform, enabling agencies to efficiently purchase digital advertising across PC, mobile, and online video channels. Shares fell on an earnings miss for the first time in 33 quarters. We believe the miss was due largely to a company reorganization in December and delays in its Kokai platform rollout, both of which we believe have since improved. We believe Trade Desk still represents the best option for biddable Connected TV (CTV) inventory. We note Trade Desk gained share against the incumbent Google in the last five years, even when Google charged low/no fees, and major companies like Netflix, Disney, and Spotify have opened their ad inventory to Trade Desk. Its market remains large and underpenetrated, as the shift to CTV advertising is still in the early stages. We believe Trade Desk can grow its top line by high teens to 20% year-over-year for years to come.

Shares of **Gartner, Inc.**, a provider of syndicated research, fell on uncertainty around the impact of government spending reductions on the business. We estimate U.S. federal exposure is about 5% of Gartner's total research contract value, with about half from the Department of Defense and Intelligence organizations and half from civilian agencies. While Department of Government Efficiency-driven cost scrutiny is high, we believe Gartner's services deliver significant value to users, including the potential for hard dollar savings. The private sector business appears well positioned for sustained growth, and management is adept at exercising cost controls to sustain or enhance margins and free cash flow. The company's balance sheet is in excellent shape, and we expect management to take advantage of this drawdown with aggressive share repurchases.

Other stocks that declined over 20% this quarter were **Chart Industries, Inc.**, **ASGN Incorporated**, **Neogen Corp.**, **Grid Dynamics Holdings, Inc.**, Ibotta, Inc., **First Advantage Corporation**, **indie Semiconductor, Inc.**, R**epay Holdings Corporation**, and **RadNet, Inc.**

Portfolio Structure and Recent Activity

As of March 31, 2025, the Fund had $3.8 billion under management and owned 55 stocks. The top 10 holdings made up 40.6% of net assets. Turnover was 12.8%, as measured by a three-year average. The number of names in the portfolio is the lowest it's been in a while. This is because in times of stress in the markets, we normally focus on our highest conviction names and adjust the weightings or sell out of names in which we are less confident. Also, during the period, a couple of our holdings were acquired, and this was not offset, as is typically the case, by purchases of new issues, which delayed coming to market due to elevated investor uncertainty.

Table IV.
Top 10 holdings as of March 31, 2025

	Year Acquired	Quarter End Investment Value ($ millions)	Percent of Net Assets (%)
Kinsale Capital Group, Inc.	2019	219.0	5.8
Gartner, Inc.	2007	199.4	5.3
Guidewire Software, Inc.	2012	187.4	5.0
Vertiv Holdings Co	2019	180.5	4.8
TransDigm Group Incorporated	2006	138.3	3.7
Red Rock Resorts, Inc.	2016	134.4	3.6
The Baldwin Insurance Group, Inc.	2019	134.1	3.6
ICON Plc	2013	113.7	3.0
Planet Fitness, Inc.	2018	111.1	3.0
SiteOne Landscape Supply, Inc.	2016	106.3	2.8

The Fund primarily invests in five sectors – Industrials, IT, Consumer Discretionary, Financials, and Health Care. We favor these sectors because these are the areas where we find special businesses that meet our high standards and investment criteria. They are also the sectors in which we have the most expertise, the deepest research effort, and most historical success with our investments.

The Fund's sector exposures vary significantly from the Index. We are overweight Industrials (30.5% of net assets), IT (22.8%), Consumer Discretionary (14.9%), and Financials (12.9%) and significantly underweight Health Care (9.5%). These trends have been fairly consistent over time. This quarter, these allocations hurt our results, as IT and Consumer Discretionary were the weakest performing sectors in the Index, while Health Care outperformed. We have minimal investments in some of the other sectors in the Index, such as Energy, Utilities, Materials, and Real Estate.

The Fund's holdings have generally higher growth rates, are more profitable, and have lower betas when compared to the Index holdings. The active share of the Fund has generally been above 90%, meaning the Fund relies on its stock picks and does not hug the Index.

During the quarter, we continued our approach of investing in small-cap stocks and trimming our larger market cap holdings. We bought or increased stocks with a weighted average market cap of $4.0 billion and sold or trimmed stocks with a weighted average market cap of $19.3 billion. Our "size score" as measured by Morningstar has declined.

With tariffs being such a flashpoint, we have examined our holdings based on revenue exposure to the U.S. versus non-U.S. The basic premise is that companies with greater domestic sales would be less affected…though this is imperfect because it doesn't take into consideration cost or supply-chain issues. For 30% of our assets under management, all revenues are domestic; 22% of our net assets generate 75% to 100% of revenues inside the U.S., and another 33% of assets generate 50% to 75% of revenues domestically. For a modest percentage of the Fund, a little over 10%, 50% of sales are outside the U.S. Interestingly, this group of stocks performed the worst on average this quarter.

Table V.
Top net purchases for the quarter ended March 31, 2025

	Year Acquired	Quarter End Market Cap ($ billions)	Net Amount Purchased ($ millions)
RadNet, Inc.	2025	3.7	38.5
PAR Technology Corporation	2025	2.5	34.7
Karman Holdings Inc.	2025	4.4	22.6
Cognex Corporation	2011	5.1	10.2
JFrog Ltd.	2024	3.7	9.4

During the quarter, we bought shares of **RadNet, Inc.**, the largest owner and operator of fixed-site, freestanding diagnostic imaging centers in the U.S, with 399 locations. The company's imaging centers offer multi-modality imaging services, including magnetic resonance imaging (MRI), computed tomography (CT), positron emission tomography (PET), nuclear medicine, mammography, ultrasound, diagnostic radiology (X-ray), and other related procedures. The company develops leading positions in regional markets to leverage operational efficiencies and contracting benefits with health plans. Currently, the company has a strong regional presence in California, Maryland, New York, and New Jersey.

RadNet is benefiting from several secular growth trends. The aging population is driving increased demand for diagnostic imaging services. Payors are steering volume to less costly outpatient providers like RadNet, away from higher cost hospitals, and patients prefer the experience of care in an outpatient setting over a hospital. New technology is driving higher demand for more advanced imaging modalities like MRI, CT and PET, all of which generate higher revenue and margin per procedure for RadNet.

In addition, we think RadNet is well positioned to lead the transformation of the radiology field with AI and radiology software products. RadNet's emerging Digital Health business offers AI algorithms for enhanced cancer detection, allowing for earlier and more accurate diagnosis and preventive screening. The company has the largest repository of imaging data from its imaging centers, which it can use to train and re-train its algorithms, providing a competitive advantage. The company's newly launched DeepHealth OS cloud-native operating system helps operate all aspects of the radiology service line, from scheduling and patient preparation to technologist workflow to interpretation and referral management. RadNet is investing for growth in this business, which we think can grow 30% per year and scale at very high incremental margins. Over time, AI will enable RadNet to lower costs in its own imaging centers in a material way, driving margin expansion.

Finally, RadNet is well capitalized with cash on the balance sheet for accretive acquisitions. RadNet purchases other independent imaging center operators that are not as well capitalized to make investments in new technology or lack scale to contract at favorable rates with payors. RadNet is also expanding through health system joint ventures, including with Cedars Sinai, MemorialCare, Dignity Health and Adventist Health. Additionally, the company intends to use acquisitions to bolster its offerings in the Digital Health business.

We think the stock is attractively valued on current estimates based on the growth characteristics of the imaging center business alone and does not reflect the upside potential from the Digital Health business or future acquisitions.

We purchased shares of **PAR Technology Corporation**, a leading software, hardware, and service provider to the foodservice industry. PAR is building an all-in-one software and service platform for enterprise restaurants and convenience stores to run the most critical portions of their technology stacks. Historically, the company was known as a hardware supplier to large QSR restaurant chains, but since CEO Savneet Singh took the role in late 2018, he has made software the primary focus of the business through organic investment and M&A. The company has added several complementary software pieces around its core point-of-sale software product (less than $10 million in software revenue when Savneet took over) to build a unified technology platform offering integrated solutions and data insights supporting $275 million in ARR today growing 20% or more annually.

While there is a lot of competition in the small and medium-sized business portion of the market, there are significantly less competitors serving enterprise chains, with the two largest players being legacy incumbents with poor reputations when it comes to innovation and service. Enterprise foodservice is playing "catch-up" in adopting new technology, and we anticipate spend to ramp in coming years. PAR's strong reputation, modern platform purpose built for enterprise brands, and product and integration breadth give it a strong competitive positioning, as reflected by a customer list that includes many of the largest restaurant and c-store brands in the world (Burger King, Dairy Queen, and Arby's).

We believe PAR will continue to grow its software revenues 20%-plus per year over the next several years, driven by wins with new restaurant brands and cross-sell of its product portfolio to existing customers. PAR just reported two consecutive quarters of adjusted EBITDA profitability driven by very strong operating leverage, and we expect the company to continue to deliver strong incremental margins as it grows revenue in excess of the required investment in its R&D or sales and marketing needed to scale its business. As profitability and cash flow ramp rapidly in the coming years (estimating over 25% EBITDA margins), combined with further accretive bolt-on and/or meaningful acquisitions, we see significant upside in the stock over time.

Table VI.
Top net sales for the quarter ended March 31, 2025

	Year Acquired	Market Cap When Acquired ($ billions)	Quarter End Market Cap or Market Cap When Sold ($ billions)	Net Amount Sold ($ millions)
Aspen Technology, Inc.	2015	3.1	16.7	66.6
Vertiv Holdings Co	2019	1.0	27.5	36.1
Guidewire Software, Inc.	2012	1.4	15.7	34.6
WEX Inc.	2013	1.7	6.0	32.8
Ibotta, Inc.	2024	2.8	1.3	29.2

During the quarter, we exited three positions and two of our companies were acquired.

Aspen Technology, Inc. was acquired by Emerson Electric Co. ending a successful 9-plus year investment (21.4% annualized return). We believe the future remains bright for that business, so we were sad to see it go. Also, we sold the remaining portion of our holdings in big winner **Altair Engineering Inc.** that is also being acquired.

We trimmed our positions in **Vertiv Holdings Co** and **Guidewire Software, Inc.** at attractive prices to deploy those proceeds to new smaller-cap ideas.

We sold out of **WEX Inc.** as its end markets outlook has diminished, lowering our view of the company's long-term growth profile. **Ibotta, Inc.** has struggled as a public company with sales growth and earnings lower than expected. Their solution and brand engagement needs tweaking, which will take some time, so we decided to step to the sidelines during this transition. We sold the remnants of our **SBA Communications Corp.** holding to fund growthier names after the stock moved higher as interest rates fell. We purchased this position in 2004, and it has been a great holding for the Fund, generating over $350 million in total profits (21.9% annualized return).

Outlook

We are writing this report in the middle of April, having just gone through extremely tumultuous times. Tariffs were imposed, and levels announced were higher, shockingly so, than anticipated. The market sold off dramatically on many concerns – the soundness of the policy itself, a surge in inflation, business disruption, a protracted trade war/period of geopolitical tension, and, most important, the risk of a recession. The Trump Administration favors a move away from decades of globalization and a reordering of the system of global trade, and investors went catatonic.

Subsequently, the administration yielded and stepped off the ledge, by pausing the implementation of tariffs while it individually negotiates deals with trading partners. This was well received, and the markets rallied from levels that were oversold with bearish sentiment at the peak. However, the conflict with China escalated, with far ranging repercussions, and an amicable resolution anytime soon seems unlikely.

The tariff shock has resulted in a period of maximum uncertainty. Consumers' confidence is lower. Business leaders are freezing decisions. They crave certainty. This is precisely the opposite of what we were hearing just a couple of months ago and points to slower growth. Also, there are concerning knock on effects, with the U.S. dollar moving lower and long duration interest rates moving higher, both negatives for the economy and market. Plus, the Fed is in a tough position determining the path of interest rates, since slower economic growth seems to be clouded by higher inflation expectations. We will see where this all shakes out but expect continued volatility given the murkiness of the road ahead.

During times of market and macro volatility, we rely on our experience and process. This usually results in staying invested in the special companies we have invested in and riding out the storm. We believe we own a portfolio of high quality, well managed, and high performing businesses. We are closely following the evolving policy, but, as mentioned earlier in the letter, it is unpredictable, so we don't spend a lot of time making predictions. Instead, we are even more closely in contact with our businesses, focusing on their fundamentals and competitive advantages and will adjust the portfolio appropriately if need be. Stocks presently trade at discount valuations to our present near- and longer-term estimates of corporate earnings and value, but this is also a time of great uncertainty about the outlook. We appreciate you hanging in there with us as we do our best to manage the Fund for your benefit. We have been here before and have historically done a good job mitigating the results of such challenging environments, which has helped us achieve long-term outperformance. We are following the same playbook now, and we expect this time to be no different.

Thanks for your investment in the Fund and confidence in our investment team and approach.

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.

Beta explains common variation in stock returns due to different stock sensitivities to market or systematic risk that cannot be explained by the US Country factor. Positive exposure indicates high beta stock. Negative exposure indicates low beta stock. **Upside Capture** explains how well a fund performs in time periods where the benchmark's returns are greater than zero. **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. **Free Cash Flow (FCF)** represents the cash that a company generates after accounting for cash outflows to support operations and maintain its capital assets. **Size Score** rather than using a fixed number of "large cap" or "small cap" stocks, Morningstar uses a flexible system that isn't adversely affected by overall movements in the market. World equity markets are first divided into seven style zones: United States, Latin America, Canada, Europe (includes Africa), Japan, Asia ex-Japan, and Australia/New Zealand. The stocks in each style zone are further subdivided into size groups. Giant-cap stocks are defined as those that account for the top 40% of the capitalization of each style zone; large-cap stocks represent the next 30%; mid-cap stocks represent the next 20%; small-cap stocks represent the next 7%; micro-cap stocks represent the smallest 3%. For value-growth scoring, giant-cap stocks are included with the large-cap group for that style zone, and micro-caps are scored against the small-cap group for that style zone.

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 Opportunity Fund Shareholder:

Performance

During the first quarter, Baron Opportunity Fund® (the Fund) fell 11.97% (Institutional Shares), underperforming the Russell 3000 Growth Index (the Benchmark), which dropped 10.00%, and the S&P 500 Index, which declined 4.27%.

Table I.
Performance†
Annualized for periods ended March 31, 2025

	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]	(12.01)%	(11.97)%	(10.00)%	(4.27)%
One Year	6.80%	7.05%	7.18%	8.25%
Three Years	7.75%	8.02%	9.63%	9.06%
Five Years	18.94%	19.24%	19.57%	18.59%
Ten Years	15.90%	16.21%	14.55%	12.50%
Fifteen Years	14.75%	15.05%	14.93%	13.15%
Since Inception (February 29, 2000)	9.40%	9.58%	7.16%	7.79%

Review and Outlook

The market, in the short term, is a confidence game. January brought strong performance for the Fund, fueled by investor optimism around robust secular growth driven by technological innovation, particularly AI. This was amplified by expectations that the new Trump administration's policies – lower business taxes, streamlined regulations, reduced energy costs, and budget cuts – would spur economic growth. However, sentiment shifted abruptly in mid-February. Fears of tariffs, a potential global trade war, and geopolitical realignment reversed market gains, creating volatility reminiscent of the 2020 COVID crisis or the 2008-09 Great Financial Crisis.

MICHAEL A. LIPPERT
PORTFOLIO MANAGER

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

To put it plainly, tariffs – a whirlwind of rumors, X posts, debates, and contradictory official statements – have dominated the narrative, as one observer quipped, "sucking the air out of the room." This uncertainty has sparked fear and uncertainty akin to historic market upheavals. The past 60 days saw dramatic developments: the April 2 rollout of historically high "reciprocal" tariffs stunned markets, followed by a 90-day pause announced at midnight on April 10. Near-daily rumors of trade deals, tariff exclusions, and subsequent denials have kept volatility elevated. As events unfold, uncertainty remains the prevailing mood, challenging even the most resilient investors.

We don't believe Baron Funds shareholders are reading our quarterly letters for our analysis of tariffs or short-term calls on macro issues or market projections. But we do wish to address our high-level thinking and how we are researching, analyzing, and investing on your behalf in this environment.

Macro and Market

I've worked at Baron for close to a quarter of a century. I've gained experience from researching and investing through several different macro disruption and

Performance listed in the above table is net of annual operating expenses. Annual expense ratio for the Retail Shares and Institutional Shares as of January 28, 2025 was 1.32% 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 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.

market-driven shocks, including the bursting of the Dot-Com bubble, the Great Financial Crisis, the COVID pandemic, and the 2022 tech "recession" and spike in interest rates. History rhymes but does not repeat. The current financial crisis is distinct from past ones. So, we are drawing on lessons of the past while adapting our approach to the unique dynamics of today.

By its executive orders and actions, the Trump administration may be attempting to usher in structural or systematic change–a new world order in terms of global trade relations and international diplomacy and alliances. I say "may be" because conditions have been changing on a dime, and no one knows the precise goals of the administration or can align conflicting policy objectives and statements by members of the administration, including the President himself. We have remained closely attuned to the current and potential measures taken by the administration and the debates and analyses of well-informed and experienced experts on all the issues at play. We have read countless reports, articles, papers, and notes, and listened to hours of interviews, podcasts, and debates. We have discussed and examined the current state of play, realistic scenarios, and potential consequences. But as Ron has steadfastly articulated for over 50 years,[5] we do not attempt to forecast or predict macroeconomic, political, or geopolitical outcomes, and this one might be more impossible to call than all the others we have lived through or learned about.

I believe it would be misleading to downplay concerns about the current landscape or to speculate on short-term market trends. The only forecaster with a good track record of identifying market tops or bottoms–or predicting the outcome of an economic shock like the current trade war–goes by the name "20/20 hindsight." But relative to current stock valuations, we believe our portfolio of secularly driven, competitively advantaged, cash-flow-generating businesses offers solid multi-year returns once the current volatility subsides and a broad range of new-normal scenarios emerge. I do hope the quote attributed to Winston Churchill proves prescient, even for the current cast of characters: "You can always count on Americans to do the right thing, after they've tried everything else."

Investment Strategy and Tactics

In today's volatile, headline-driven environment, we remain resolute in managing the Fund by focusing on what we can control: our long-term investment mandate, rigorous research, disciplined analysis, sound judgment, and strategic portfolio decisions. The Fund distinguishes itself through an unwavering focus on "where the world is headed, not where it's been" – capitalizing on powerful secular growth trends that disrupt industries and drive sustained, high-impact opportunities. While past macroeconomic shocks temporarily disrupted trends like the internet, mobile, cloud computing, and digital transformation, history shows these forces prevailed. We are confident the same resilience will hold today, despite potential obstacles. Transformative secular trends – such as AI; autonomous transportation; robotics; digital commerce, media, finance; advanced therapeutics, and minimally invasive surgery – will shape the future. As highlighted at last November's Baron Investment Conference and in recent letters, the most successful investments of the past half century thrived by harnessing technological breakthroughs and relentless secular trends that reshaped industries and transformed how we live and work.

We acknowledge that proposed tariffs and trade restrictions may pose short-term challenges for many of our portfolio companies. For instance, just last week, as we drafted this letter, the administration barred **NVIDIA Corporation** from selling its H20 chip – a lower-power, export-compliant version of its previous-generation technology – to China.[6] Tactically, we are rigorously assessing the resilience of our investments against tariffs, trade barriers, and the growth headwinds stemming from this uncertainty. We prioritize companies that combine macroeconomic resilience with enduring long-term growth and competitive advantages, particularly those poised to accelerate once the current uncertainty resolves, and new trade and geopolitical frameworks emerge.

We are actively engaging with our portfolio companies, asking our core long-term questions – spanning growth opportunities, competitive differentiation, product-market fit, go-to-market strategies, profitability, and capital allocation – while also probing potential tariff impacts, macroeconomic risks, and management contingency plans. Most management teams and companies reporting earnings acknowledge the prevailing uncertainty but note that current business trends remain stable, with tariff impacts deemed "too soon to assess."

We are actively refining our financial modeling and price target analysis, rigorously evaluating revenue projections, their translation to profits and cash flow, and testing conservative and downside scenarios as appropriate. We employ a "double math" approach for most portfolio companies, assessing the revenue growth, margins, and valuation multiples required for stocks to double in value over four to five years. In setting price targets, we are using more conservative financial projections and lower-end valuation multiples, while also calculating downside risks. This disciplined process aims to identify stocks with compelling risk/reward and upside/downside profiles.

Ultimately, we remain committed to investing in long-term secular winners with resilient products, revenue models, and management strategies, ensuring durability and growth through evolving market conditions.

AI

Given the importance of AI as (1) "the most powerful technology platform shift and secular growth driver since the advent of the internet itself,"[7] and (2) the predominant driver of stock leadership over the last two years, we would like to share a few high-level thoughts.

- The Trump administration's words and actions – including initiatives like Project Stargate and **Taiwan Semiconductor Manufacturing Company Limited**'s (TSMC) $100 million investment in U.S. advanced semiconductor manufacturing, alongside restrictions such as the H20 China ban – underscore a commitment to prioritizing AI for national and economic security and a broader goal of maintaining U.S. AI leadership. Heightened uncertainty persists, however, due to potential new tariffs and trade restrictions, particularly in relation to U.S.-China dynamics, which could either isolate and restrain China's AI development or lead to a comprehensive bilateral agreement. This uncertainty has negatively influenced the valuations of AI industry leaders like NVIDIA, **Broadcom Inc.**, and TSMC. While near-term challenges may impact growth and earnings, we believe the long-term trajectory of AI as a transformative

[5] In his June 2022 Letter from Ron, Ron explained: "In my 52-year Wall Street career, I have never known anyone to accurately and consistently predict markets…economies…interest rates…inflation…oil prices…wars…commodity prices…and election outcomes."

[6] Following the H20 restriction, Wall Street analysts lowered their NVIDIA's 2025 revenue and earnings forecasts by 7% to 10% and by 3% to 5% for the subsequent two years. NVIDIA's stock dropped 9%, from about $112 to $101.50. Amid ongoing AI trade restriction uncertainty, FactSet estimates NVIDIA now trades at 18x consensus 2026 earnings, with a PEG ratio of just 0.6x.

[7] Quoting the Baron Opportunity Fund June 30, 2024 letter.

force remains enduring and will ultimately be supported by policies aimed at sustaining U.S. dominance in the sector.

- The quarter began with intense market speculation about DeepSeek and its potential to reshape AI development. To address this, we hosted a Thought Leadership Forum webinar, "DeepSeek Disillusion: Evaluating the Future of AI," on February 3, 2025, and published a related Baron Insights article in April.[8] Our perspective, as outlined in these works, remains unchanged. Key points include: (1) the market's response to DeepSeek was significantly overstated; (2) the arms race toward artificial general intelligence and artificial super intelligence continues unabated, with well-funded Western leaders like OpenAI, **X.AI Holdings Corp.** (xAI)[9], Anthropic, Alphabet (Google), **Meta Platforms, Inc.**, **Microsoft Corporation**, and **Amazon.com, Inc.** leading the field, as none can afford to sit on the sidelines of this critical contest; (3) AI scaling laws remain robust, further strengthened by advancements in reasoning and long-thinking models; and (4) beyond consumer applications, like ChatGPT or Grok, innovations in agentic AI and physical AI are driving increased investment in the sector.
- Amid tariff uncertainty, some investors worry about a pause or digestion period in AI capital investment. However, public statements from management teams and our private discussions confirm robust AI capital investment plans for 2025, with strong demand projected through 2026. For instance, TSMC, a global leader in advanced AI semiconductor manufacturing, stated on its recent earnings call: "robust AI-related demand from our customers throughout 2025," "revenue from AI accelerators [will] double in 2025," "[r]ecent developments are also positive to AI's long-term demand outlook," and its capacity builds are "[s]till fully…for 2026," though its CEO noted he "cannot say the number." Moreover, xAI has been open regarding its plans to build the world's largest coherent AI training cluster at over 1 million H100 GPU equivalents, five times the size of its Colossus data center; and Sam Altman posted on X in February that OpenAI has "been growing a lot and are out of GPUs" and that "hundreds of thousands coming soon, and I'm pretty sure y'all will use every one we can rack up."
- Concerns about AI's return on investment persist among some investors, but industry leaders remain unfazed. NVIDIA CEO Jensen Huang declared on his latest earnings call: "No technology has ever had the opportunity to address a larger part of the world's GDP than AI." We believe this vision will prove true. Of the $110 trillion global GDP, tech spending accounts for just 5% – about $5.5 trillion – while human labor still represents about 45% to 50%. AI is the cornerstone of productivity-driven digital transformation. With advancements in agentic and physical AI gaining momentum, Microsoft CEO Satya Nadella's repeated prediction that tech spending should double over the foreseeable future appears to be a relatively easy target, with 15% to 20% of GDP not out of reach down the line. Five percent of global GDP is $5.5 trillion and 10% is $11 trillion – prize money no business race has ever rivaled.

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

- Cloud computing
- Software-as-a-service
- AI
- Mobile
- Semiconductors
- Digital media/entertainment
- Targeted digital advertising
- E-commerce
- Genetic medicine/genomics
- Minimally invasive surgical procedures
- Cybersecurity
- Electric vehicles (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 first quarter we initiated or added to the following positions:

- Software: **Snowflake Inc.**, **The Trade Desk**, and **Atlassian Corporation Plc**
- Semiconductors & semiconductor equipment: **Monolithic Power Systems, Inc.** and **Nova Ltd.**
- Data center infrastructure: **Vertiv Holdings Co**
- Space/satellite broadband: **Space Exploration Technologies Corp.**
- Cybersecurity: **Zscaler, Inc.** and **CyberArk Software Ltd.**
- Capital markets: **LPL Financial Holdings Inc.**

Table II.
Top contributors to performance for the quarter ended March 31, 2025

	Contribution to Return (%)
X.AI Holdings Corp.	0.70
Spotify Technology S.A.	0.55
Inari Medical, Inc.	0.40
CoStar Group, Inc.	0.20
Visa Inc.	0.17

Founded by Elon Musk in March 2023 with the ambitious mission "to understand the true nature of the universe," **X.AI Holdings Corp**. (xAI), has quickly emerged as a prominent force in the AI industry. In a remarkably short time span, xAI released to the market its AI model, Grok, and recently followed up with the high-profile release of Grok 3, marking a major advancement in its technology. Fueling Grok 3's breakthrough performance was the rapid deployment of xAI's Colossus data center. Redefining what's possible, Colossus became operational in just 122 days, running a highly utilized fleet of 100,000 GPUs. It currently holds the title of one of – if not the – largest coherent AI training infrastructure. The next major milestone, scaling to 200,000 GPUs, was achieved in a mere 92 days. Grok 3 was the first model to be trained on xAI's own infrastructure, utilizing over 10 times the computational power used for Grok 2. These early milestones demonstrate xAI's capacity to accelerate innovation and its potential to secure a sustained leadership role in the highly competitive AI industry.

Further to these remarkable achievements, xAI recently announced that it has acquired X, formerly Twitter. The acquisition is expected to result in

[8] Both can be found on the Baron website at baroncapitalgroup.com.

[9] On March 28, 2025, X.AI Holdings Corp. (X.AI Holdings) acquired social media platform X Holding Corp. (X) and artificial intelligence company X.AI Corp. (xAI) in an all-stock transaction. The deal valued X at $33 billion and xAI at $80 billion, making the combined X.AI Holdings entity worth $113 billion.

meaningful efficiencies and growth opportunities, driven by better alignment of corporate incentives, enhanced resource allocation, and the integration of data, compute, and products. While some competitors struggle to secure high-quality data, the acquisition is expected to enhance xAI's access to X's vast, real-time, multimodal data, generated by 600 million active users worldwide. We anticipate that xAI's AI products will be more seamlessly integrated into the X platform, enhancing the user experience and creating improved distribution opportunities for the company's offerings.

We value the stock based on transaction in shares, including the recently announced merger, resulting in stock appreciation and quarterly outperformance.

Spotify Technology S.A. is the leading global digital music platform, offering on-demand audio streaming through both paid premium subscriptions and an ad-supported tier. Shares of Spotify rose following another strong quarterly result, marked by a significant gross margin beat and healthy expansion in operating margins. The company's compelling value proposition has allowed it to begin flexing pricing power, introducing additional price increases across various global markets. Notably, user growth remains robust despite these hikes, underscoring the strength of the platform. We believe Spotify will continue to leverage its pricing power as it enhances its offering with new features such as audiobooks, AI-driven personalization, a forthcoming "Super Premium" tier, and potentially an education-focused product. In addition to a solid top line and improving margins, the company generated a record $2.3 billion in free cash flow in 2024, reflecting growing scale and discipline in execution. Looking ahead, we see a clear path toward 35% gross margins, driven by continued growth in high-margin areas such as marketplace, advertising, podcasts, and audiobooks. Operating efficiency remains a strategic focus. Compared to many other consumer discretionary and tech names, Spotify has traded more defensively, aided by the platform's strong consumer retention and resilient financial characteristics. We expect the company to sustain positive earnings growth, supported by both company-specific drivers and broader industry tailwinds. The launch of the Super Premium tier – expected this year in North America and globally – should be materially accretive to profitability and free cash flow over time. We continue to view Spotify as a long-term winner in music and audio streaming, with the potential to scale to over 1 billion monthly active users.

Inari Medical, Inc. supplies catheter-based devices to remove clots from venous thromboembolism (VTE). VTE is the third most common vascular condition in the U.S. after heart attacks and strokes and can be fatal if left untreated. The market is still mostly greenfield, with patients receiving only ineffective drugs, and we believe there is room for multiple devices to win. Shares contributed to performance after Inari was acquired by Stryker in early January.

Table III.
Top detractors from performance for the quarter ended March 31, 2025

	Contribution to Return (%)
NVIDIA Corporation	–1.98
Tesla, Inc.	–1.81
Broadcom Inc.	–1.35
Microsoft Corporation	–0.90
Amazon.com, Inc.	–0.88

NVIDIA Corporation is a semiconductor and systems company specializing in compute and networking systems for accelerated computing. Its unmatched leadership in AI infrastructure, spanning GPUs, systems, software and networking solutions, continues to drive robust performance. However, NVIDIA's stock came under pressure during the quarter, as media and investor narratives shifted toward skepticism, ranging from concerns over slower AI adoption to DeepSeek-related fears that future AI training and inference workloads may become more compute-efficient, reducing demand of accelerated computing systems. As discussed above, we believe these concerns are premature. Training cluster buildouts are progressing in line with expectations, while inference will progressively and steadily scale with usage as enterprises integrate AI into real-world workflows and consumers continue to adopt AI applications, such as ChatGPT, Grok, and Perplexity, to name just a few. Moreover, as we shift from standard gen 1 (gut based) AI models to reasoning gen 2 (long thinking) models, the query response can demand about 100 times more inference compute to provide a better answer. In contrast to these skeptical narratives, NVIDIA delivered a strong January 2025 quarter, which exceeded Street expectations, driven by data center compute revenues growing 116% to $32.6 billion, with $11 billion of revenue from NVIDIA's new Blackwell architecture, the fastest product ramp in the company's history. On the February earnings call and at the GTC conference in March, CEO Jensen Huang reiterated a number of NVIDA growth drivers, including: (1) accelerated (GPU-based) computing architectures replacing legacy (CPU-based) computing architectures; (2) multiple Gen AI scaling laws, including pre-training (more data, more compute, smarter models), post-training using reinforcement learning from human and AI feedback, and inference with test-time, long-reasoning compute; (3) agentic AI (autonomous, non-human workers); and (4) physical AI (robots, EV's, etc.).

Tesla, Inc. designs, manufactures, and sells fully EVs, related software and components, and solar and energy storage products. Shares fell due to declining analyst expectations for auto delivery volumes and gross margins in 2025 due to: (1) a refresh of the Model Y, Tesla's highest-volume vehicle and the world's best-selling car in 2024; (2) Elon Musk's controversial role in the Trump administration as putative leader of DOGE; and (3) regulatory changes that could pose potential operational challenges. Despite these headwinds, we remain confident in Tesla's long-term growth, underpinned by secular trends in EVs and energy storage adoption, a compelling and expanding product line, its leading cost structure, and cutting-edge, real-world AI technologies, particularly autonomous driving and humanoid robots. We believe the Model Y refresh alongside the debut of new mass-market models should boost vehicle demand as we move through the year. Over time, we expect the political pressure to fade, while Tesla's AI ambitions – a robotaxi service launching this year and the Optimus humanoid program – hold the promise of transforming its growth story. Here's are some direct quotes from Elon on Tesla's late-January earnings call:

- Full Self Driving: "[V]ery few people understand the value of full self-driving and our ability to monetize the fleet…[T]hat's why my number one recommendation for anyone who doubts is simply try it…[T]he only people who are skeptical…are those who have not tried it. So a … passenger car typically has only about 10 hours of utility per week out of 168, a very small percentage. Once that car is autonomous, my rough estimate is that it is in use for at least a third of the hours per week, so call it, 50, maybe 55 hours of the week. And it can be useful both cargo delivery and people delivery. So even let's say people are asleep, but you can deliver packages in the middle of the night, or resupply restaurants, or whatever the case may be, whatever people need at all hours of the day or night. That same asset … that already exist[a] with no incremental cost change, just a software update, now ha[s] 5x or more the utility than they currently have. I think this will be the largest asset value increase in human history."

- Optimus: "With regard to Optimus, obviously, I'm making these revenue predictions that sound absolutely insane. I realize that. But I think they will prove to be accurate. Now, with Optimus, there's a lot of uncertainty on the exact timing because it's not like a train arriving at the station for Optimus. We are designing the train and the station and in real time while also building the tracks…The normal internal plan calls for roughly 10,000 Optimus robots to be built this year. Will we succeed in building 10,000 exactly by the end of December this year? Probably not. But will we succeed in making several thousand?... Will those several thousand Optimus robots be doing useful things by the end of the year? Yes, I'm confident they will do useful things. Those Optimus in use at the Tesla factories for production design one will inform how would we change for production design two, which we expect to launch next year. And our goal is to ramp up Optimus production faster than maybe anything has ever been ramped… We tried desperately with Optimus to use any existing motors, any actuators, sensors, nothing worked for a humanoid robot at any price. We had to design everything from physics first principles to work for a humanoid robot. And with the most sophisticated hand that has ever been made before, by far. Optimus will be able to, like, play the piano and be able to thread a needle. I mean, this is the level of precision no one has been able to achieve. And so, it's really something special…So… my prediction long-term is that Optimus will be overwhelmingly the value of the company… I'm confident at 1 million units a year that the production cost of Optimus will be less than $20,000. If you compare the complexity of Optimus to the complexity of a car, so just the total mass and complexity of Optimus is much less than a car. So I would expect that at similar volumes to, say, the Model Y, which is over 1 million units a year, that you'd see Optimus be…half the cost or something like that. What the price of Optimus is, is a different matter. The price of Optimus will be set by the market demand."

Broadcom Inc. is a leading fabless semiconductor and enterprise software company, with approximately 60% of revenue generated from semiconductors and 40% from software. The company's focus on high-performance AI compute and networking solutions, coupled with its disciplined execution in software, positions it as a strategic leader in critical technology markets.

Broadcom delivered a strong quarter, beating expectations on both semiconductors and software. AI remained the key growth engine – reaching a $4.1 billion quarterly run rate, up 77% year-over-year – driving a solid ramp in semiconductor revenue, even as non-AI segments like wireless and industrial declined. Software surged, fueled by VMware integration and a shift to subscriptions. Management guided to continued AI momentum and steady software execution, with a more pronounced AI ramp expected in the second half. Despite strong quarterly results, the stock retreated amid the same AI-related skepticism as NVIDIA, but primarily due to the broad market pullback on tariff and trade-relations concerns. We remain confident Broadcom is on track to win with its three custom AI accelerator customers and will capture the majority share in the custom-compute space. Broadcom's lead customer, Google, just rolled out its 7th generation TPU, nicknamed Ironwood, and as Broadcom's two unnamed (but well speculated) non-Google customers gain traction, confidence in the broader pipeline of four additional partners should strengthen, supporting continued growth in Broadcom's AI business. We spent two hours with Broadcom's CEO Hock Tan in March, and he told us in no uncertain terms that "all of them will aggressively ramp and push custom accelerators."

Portfolio Structure

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 first quarter, the largest market cap holding in the Fund was $3.3 trillion and the smallest was $424 million. The median market cap of the Fund was $33.7 billion, and the weighted average market cap was $1.0 trillion.

To end the quarter, the Fund had $1.4 billion of assets under management. We had investments in 44 unique companies. The Fund's top 10 positions accounted for 55.6% of net assets.

Despite the market backdrop, the Fund had positive inflows for the quarter.

Table IV.
Top 10 holdings as of March 31, 2025

	Quarter End Market Cap ($ billions)	Quarter End Investment Value ($ millions)	Percent of Net Assets (%)
NVIDIA Corporation	2,644.5	137.9	10.2
Microsoft Corporation	2,790.6	97.1	7.2
Amazon.com, Inc.	2,016.3	92.4	6.8
Meta Platforms, Inc.	1,460.3	70.9	5.2
Space Exploration Technologies Corp.	349.1	69.6	5.2
Apple Inc.	3,336.9	65.0	4.8
Broadcom Inc.	787.2	61.2	4.5
Spotify Technology S.A.	112.1	60.2	4.5
Tesla, Inc.	833.6	57.8	4.3
argenx SE	36.0	38.3	2.8

Recent Activity

Table V.
Top net purchases for the quarter ended March 31, 2025

	Quarter End Market Cap ($ billions)	Net Amount Purchased ($ millions)
Snowflake Inc.	48.8	18.5
The Trade Desk	27.1	14.1
Monolithic Power Systems, Inc.	27.8	14.0
Vertiv Holdings Co	27.5	13.5
Nova Ltd.	5.4	11.3

Snowflake Inc. is a leading cloud data platform that today is predominantly utilized by customers for data analytics. We re-established an investment in Snowflake during the quarter as the stock pulled back from mid-February highs on the broader market retreat and questions regarding the company's CEO transition and AI competitiveness. Our confidence in Snowflake's ability to capitalize on its substantial market opportunity has strengthened over the past year. We have been engaging with the company's management for years, even prior to its public listing. During this quarter, we had the opportunity to meet again with Sridhar Ramaswamy, who assumed the CEO role last year. Despite his relatively short tenure, his influence on the company is evident. Snowflake's pace of product innovation has significantly accelerated, enabling Snowflake to better address AI use cases. For instance, the platform now enables enterprises to harness a growing list of leading AI models, including those from OpenAI and Anthropic. Moreover, by integrating open table formats like Iceberg, customers can leverage Snowflake's highly efficient query engine across data assets that are 100 to 1,000 times larger than the datasets currently stored on the platform. Meanwhile, customers continue to benefit from the platform's core strengths, such as ease of use, strong governance, and data sharing.

Beyond product innovation, our confidence in the company's go-to-market strategy has also strengthened. Management has made significant strides in aligning product and sales efforts, including adding technical-overlay teams to enhance product expertise within the company's sales motion. Compensation schemes have been adjusted, and sales enablement efforts are in place to drive improvements both in acquiring new customers and expanding within existing accounts. Sales teams are now incentivized to drive use-case expansion and increased consumption among customers, which aligns more closely with Snowflake's consumption-based revenue and pricing models, fueling continued business growth.

We believe Snowflake presents an attractive growth and investment opportunity, operating in a large and expanding data intelligence market that is poised to become a critical layer within an AI-centric ecosystem.

The Trade Desk is the leading demand-side platform (DSP) in internet advertising, enabling agencies and brands to efficiently plan, buy, and measure digital advertising across desktop, mobile, online video, and connected TV (CTV). Shares declined meaningfully during the quarter following the company's first earnings miss in 33 quarters as a public company, along with forward guidance that came in slightly below investor expectations. The company cited several factors contributing to the softer outlook, including delays in the rollout of its next-generation Kokai platform, which advertisers use to manage their campaigns, as well as a strategic realignment of the sales organization to improve focus on the world's largest advertisers.

Investor concerns were compounded by fears that Amazon may become a more aggressive competitor and by broader macroeconomic uncertainty leading to lower advertising spend. In response to these developments and the meaningful stock price move, we conducted a deep re-examination of Trade Desk's business and our investment case, dedicating significant resources to reevaluate the company's long-term growth potential, profitability trajectory, competitive positioning, business model, and valuation. Our work included conversations with customers, competitors, venture capital investors, and other industry participants. Based on this research, we reached several conclusions:

1. Kokai Rollout Progress: The Kokai platform is now on track to achieve 90% adoption by year-end, in line with company targets. Advertiser feedback has been notably positive, with many citing high incremental returns on ad spend, which we expect will lead to increased client budgets over time. Deployment bottlenecks are resolving more quickly, and customers are moving onto the platform at an accelerating pace.

2. Enterprise Sales Focus Gaining Traction: The strategic pivot to focus on large global advertisers is already producing early results. This customer segment offers greater long-term revenue potential and a stronger pipeline of campaigns for the second half of the year.

3. Competitive Landscape Remains Favorable: While Amazon's push into the DSP space has raised concerns, we view the threat in a similar light to prior moves by Google, which offered free or discounted tools to entice advertisers. In both cases, the market has shown a strong preference for independent and objective platforms that are not vertically integrated with media owners. We believe large advertisers will continue to value Trade Desk's independence, transparency, and neutrality – critical differentiators in a fragmented and complex ecosystem.

4. Short-term Macro versus Long-term Opportunity: The most tangible and immediate headwind is the macroeconomic environment, particularly the potential for softer ad budgets in the near term. This may cause shares to remain under pressure in the short run. However, we believe the long-term opportunity remains compelling, and valuation is now attractive relative to the company's intrinsic value and market position. As such, we added to our position during the quarter and may look to add further should the stock retrace again.

Despite near-term uncertainty, we remain confident in Trade Desk's structural advantages. The company is uniquely positioned to benefit from secular tailwinds in CTV advertising, driven by the ongoing shift from linear TV to streaming. As more households cut the cord and as platforms like Netflix, Spotify, and Pinterest open their inventory to programmatic buying, Trade Desk stands to gain incremental demand through these partnerships. Over the long term, we continue to view Trade Desk as one of the most differentiated platforms in digital advertising, supported by its proprietary technology, scaled infrastructure, and a roughly 10% share of the $100 billion and growing programmatic market – a segment that remains a small but expanding portion of the $700 billion global advertising landscape.

Monolithic Power Systems, Inc. (MPS) is a fabless high-performance analog and power semiconductor company serving diverse end markets across the semiconductor industry. Despite consistently growing 10% to 15% above the industry for many years, MPS is still a relatively small player in the broader analog and power management industries. It leverages its deep system-level and applications knowledge, strong design experience, and innovative process technologies to provide highly integrated, energy efficient, cost effective, and easy-to-use monolithic products to its customers. We have owned the company in the past and took advantage of recent volatility in the stock tied to confusion around its positioning as a supplier to AI servers to repurchase a position at attractive prices.

The company continues to expand its addressable market and drive strong revenue growth by taking advantage of areas where competition fails to innovate and driving even deeper integration of its products, including a bigger emphasis today on modules that provide better performance for customers and result in MPS achieving higher dollar-content per end device. Management consistently targets and achieves their growth goals, having quickly surpassed the prior $1 billion revenue target and more recently a $2 billion revenue run-rate, with eyes on a $4 billion business in the coming years and even larger beyond. As customers continue to turn to MPS for its culture of innovation and performance advantage relative to competitors, we believe the company will achieve its growth ambitions and become an increasingly important player in the power and analog semiconductor industry.

Table VI.
Top net sales for the quarter ended March 31, 2025

	Quarter End Market Cap or Market Cap When Sold ($ billions)	Net Amount Sold ($ millions)
Microsoft Corporation	2,790.6	49.8
Inari Medical, Inc.	4.7	20.3
ASML Holding N.V.	286.8	15.8
Dayforce, Inc.	8.8	12.3
Cadence Design Systems, Inc.	66.1	7.0

In the software space, we trimmed our **Microsoft Corporation** position and exited our **Dayforce, Inc.** and **Cadence Design Systems, Inc.** holdings to spread investments around our favorite growth software names, including **Snowflake Inc.**, **The Trade Desk**, **Atlassian Corporation Plc**, **Zscaler, Inc.**, **CyberArk Software Ltd.**, **Samsara Inc.**, **Datadog, Inc.**, **PAR Technology Corporation**, and **GitLab Inc.**, when their stocks retreated during the quarter.

We sold **Inari Medical, Inc.** after it was acquired by Stryker, as discussed above.

In the semiconductor equipment space, we sold **ASML Holding N.V.** and redeployed some of that capital into initiating an investment in **Nova Ltd.**, a company Baron Discovery Fund has been an investor in for many years and which has long been on our watch list.

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. **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.

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).

MICHAEL BARON
CO-PRESIDENT AND
PORTFOLIO MANAGER

RON BARON
CEO AND
PORTFOLIO MANAGER

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

Dear Baron Partners Fund Shareholder:

Performance

Baron Partners Fund® (the Fund) endured a tough start to the year, relinquishing a portion of the excess appreciation achieved at the end of 2024.

Over the past three months, the Fund declined 17.37% (Institutional Shares). This result was meaningfully below its primary benchmark, the Russell Midcap Growth Index (the Index), and the large-cap dominated Russell 3000 Index (the Market Index). Those two benchmarks fell 7.12% and 4.72%, respectively. Its peer group, the Morningstar Large Growth Category, declined 8.49%.*

The prior three-plus years have been marked by macroeconomic and political events that drove significant volatility. The Fund's sizable gains in calendar years 2023 and 2024 have been bookended by declines in late 2022 and the most recent quarter. This resulted in minimal net asset value change over the prior 3-year period while the Index has had a more typical annualized return. Over the prior three years, the Fund declined 1.19% annualized, while the Index increased 6.16%.

While the Fund has trailed the Index and Market Index over the prior 3-year period, it is ranked in the top percentile of its Morningstar category over the prior 5-, 10-, 15-year, and since conversion periods. (It is in the third percentile for the prior 20 years.) The finite periods of underperformance have had less impact on long-term absolute and relative returns. Since its conversion to a mutual fund, the Fund achieved an annual return of 16.39%, compared to the Index's return of 11.33%. We are very proud of the Fund's long-term track record.

As stated in previous letters while enduring analogous periods, we are disappointed, but not alarmed, with the most recent three-month results. And while we attempt to guard against such outcomes by owning a variety of businesses that we believe will react differently in distinct market environments, the concentrated nature of the portfolio has occasionally led to such outcomes. Over the prior 10 calendar years, we have trailed the Index in 3 distinct years (2015, 2016, and 2022). The excess returns earned over the other 7 years resulted in the Fund achieving 10-year annualized returns of 21.34% versus the Index's 11.54% as of 12/31/2024.

The recent quarter should not be viewed in isolation. It follows a period of surprising and drastic change in the U.S. political landscape. The business and investor euphoria experienced following the conclusion of the U.S. Presidential election at the end of 2024 was met with the realities of policies enacted (and postured) at the start of 2025. Investors had believed that President Trump would usher in a pro-business era of less regulatory burdens, falling interest rates, and lower taxes. However, these same investors are now concerned about tariffs hindering international trade, inflation harming discretionary spending, and federal spending cuts impacting economic growth. It has been a whipsaw of forecasts. We did not attempt to predict the 2024 election outcome, nor how investors would reaction to it. And we likewise are not attempting to predict current government policy. We believe that our investments should achieve their goals regardless of political outcomes. Reduced regulatory burdens should enable disruptive growth businesses to meet their objectives more quickly. And we find that more challenging economic environments tend to favor our core growth quality, competitively advantaged businesses, of which we attempt to populate in the Fund. These businesses should face reduced competition in such economies, and the executive teams should position their business to thrive. The portfolio turnover of the Fund remained very

* As of 3/31/2025, the annualized returns of the Morningstar Large Growth Category were 5.01%, 16.99%, 12.61%, and 13.13% for the 1-, 5-, 10-, and 15-year periods, respectively.

As of 3/31/2025, Morningstar Large Growth Category consisted of 1,079, 949, and 745, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Partners Fund in the 1st, 1st, 1st, 1st, 2nd, and 1st percentiles for the 1-, 5-, 10-, 15-, 20-year, and since inception periods, respectively. The Fund converted into a mutual fund on 4/30/2003, and the category consisted of 699 share classes.

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.

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low throughout this period. A transitional period could be volatile, and that has once again been the case. But the Fund is weathering this entire period. Since the U.S. election on 11/5/2024 when the macroeconomic and political environment shifted, the Fund has gained 9.54% while the Index has lost 3.53% through the end of the quarter.

Table I.
Performance
Annualized for periods ended March 31, 2025

	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]	(17.43)%	(17.37)%	(7.12)%	(4.72)%
One Year	20.53%	20.84%	3.57%	7.22%
Three Years	(1.44)%	(1.19)%	6.16%	8.22%
Five Years	29.99%	30.33%	14.86%	18.18%
Ten Years	18.43%	18.74%	10.14%	11.80%
Fifteen Years	17.94%	18.26%	12.20%	12.76%
Since Conversion (April 30, 2003)	16.17%	16.39%	11.33%	10.73%
Since Inception (January 31, 1992)	14.74%	14.88%	9.94%	10.25%

While we have historically done well over an entire economic cycle, we are extremely focused on our investments managing and emerging from the current challenges. Elon Musk, Tesla founder and CEO, may be the mostly closely associated individual (not named Trump) with the new administration. He is officially a "special government employee" and leads the newly created Department of Government Efficiency (DOGE). Like anything in U.S. politics recently, it appears that half the country supports his work while the other half is in opposition. Some in the opposition have vowed to withhold purchases of Tesla products. Other extremists have destroyed vehicles and intimidated potential buyers. This interference is occurring during a manufacturing and product change for the company. Its wildly successful Model Y is undergoing a refresh, which has temporarily paused some production, suspended the supply chain, and paused customer interest in legacy vehicles. Additionally, proposed industry tariffs may inflate prices and curtail purchases. The key word for most issues, however, is "temporarily." We believe refreshed vehicles will spur pent-up demand. New manufacturing processes instituted at facilities will further reduce production costs to unrivaled and unachievable levels for competitors. A new model rollout in the middle part of the year will open the brand to a new audience. And an autonomous vehicle service is on the horizon that has the potential to serve an exceptionally large addressable market while earning high profitability. While we acknowledge the shortfall in current results, we have increased confidence in the company servicing a larger share of the transportation market and delivering high profitability. And other verticals like robotics and energy will provide new areas of growth and potential upside over time.

While **Tesla, Inc.** suffered the greatest decline in the period and is the Fund's most substantial holding, it is not the only company to face near-term macro and policy pressures. Macro concerns hampered financial technology companies, like **FactSet Research Systems Inc.** and **MSCI Inc.** Investors are concerned about the health of end markets. Travel oriented leisure properties declined due to a cautious consumer. We value the high barriers to entry for companies like **Vail Resorts, Inc.**, **Red Rock Resorts, Inc.**, and **Hyatt Hotels Corporation**, and believe they typically provide ballast in the growth portfolio. However, the near term is choppy for the industry and these businesses. Airlines have indicated that consumers are limiting travel and increasingly price sensitive. Construction at half of the Red Rock properties is also curtailing revenue. Vail had a labor dispute (subsequently favorably resolved) during the key holiday period. And Hyatt would be harmed by a pullback in leisure and business travel. We continue to believe that this cyclicality will pass and the businesses are well positioned to gather increasing market share of a growing industry while also expanding profitability.

The Trump administration has also been vocal about its desire to both rein in government spending and also raise taxes from trading partners. **Gartner, Inc.**, a leading independent provider of research and advisory services on information technology, is potentially a victim of federal budget cuts. We estimate the company's U.S. federal revenue to be worth approximately 5%

Performance listed in the above table is net of annual operating expenses. Annual expense ratio for the Retail Shares as of April 26, 2024 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.

of total contract value. About half of that revenue stems from Department of Defense and Intelligence organizations, agencies prime for a reduction in third party spending. While any cut will reduce growth and impact margins in the high fixed cost research business, the market reaction and long-term effect seems overblown.

We always strive to provide diversification in the Fund based on business type and end market despite the concentrated nature of the portfolio. While some of the more disruptive growth businesses experienced a valuation reset and certain segments of the economy have cautionary outlooks, we have seen success at our more stable growth businesses and traditional financial companies. **Guidewire Software, Inc.** and **CoStar Group, Inc.**, which provide technology solutions and information to the insurance and real estate industries respectively, were unimpacted by the macro environment. Guidewire continues to migrate customers onto its more profitable and highly scalable cloud system. CoStar is revamping its sales force to better focus on its nascent residential opportunity after spending years developing the systems, gathering the required information, and positioning it to capture a large segment. This segmentation of the sales group should also revitalize growth in its established commercial business who had been distracted with new product offerings and different end clients. Traditional financial companies **The Charles Schwab Corporation** and **Arch Capital Group Ltd.** provided the ballast that we are used to in such market environments. Insurance trends and pricing for Arch remain steady, which should result in a continued high return on equity. Market and rate moves resulted in Schwab clients increasing their cash positions. This holding breakdown enabled the company to reduce high-cost borrowing and improve the important net interest margin. Organic growth also continued for the company.

Additionally, we believe the federal cost reduction policies may benefit investments in low-cost producers. **HEICO Corporation** provides aftermarket replacement parts for the aerospace and defense industries that tend to be 40% cheaper than the original equipment manufacturer's price. It had a resumption of growth in its electronic technologies group as client inventory was reduced. And its flight support division continued to grow steadily as acquisitions were integrated and spurred cross-sales opportunities. We believe the company could win an increasing share of the defense repair budget as the federal government prioritizes cost reductions.

We continue to believe that many of the headwinds created by a change in the macroeconomic outlook and governmental policies should be temporary, while the products of the businesses held in the Fund increase market share. While the policies have caused some near-term confusion and reduced outlook, we still believe that a leaner government and less regulatory burden should benefit market leading growth businesses that populate the Fund.

Table II.
Total returns by category for the quarter ended March 31, 2025

	Percent of Total Investments (%)	Total Return (%)	Contribution to Return (%)
Core Growth	**19.3**	**1.53**	**–0.28**
HEICO Corporation	0.8	12.86	0.09
Guidewire Software, Inc.	2.2	11.14	0.13
CoStar Group, Inc.	7.4	10.68	0.57
StubHub Holdings, Inc.	0.7	6.57	0.01
IDEXX Laboratories, Inc.	3.5	1.57	–0.08
Gartner, Inc.	3.7	–13.36	–0.77
Birkenstock Holding plc	1.0	–19.08	–0.23
Financials	**18.3**	**1.44**	**0.27**
The Charles Schwab Corporation	4.6	6.12	0.19
Arch Capital Group Ltd.	7.9	4.14	0.38
FactSet Research Systems Inc.	3.9	–5.12	–0.20
MSCI Inc.	2.0	–5.50	–0.10
Russel Midcap Growth Index		**–7.12**	
Real/Irreplaceable Assets	**10.8**	**–15.39**	**–1.95**
Gaming and Leisure Properties, Inc.	1.2	7.34	0.08
Red Rock Resorts, Inc.	1.1	–5.68	–0.12
Vail Resorts, Inc.	3.1	–13.46	–0.33
Hyatt Hotels Corporation	5.4	–21.88	–1.58
Disruptive Growth	**51.6**	**–24.06**	**–15.02**
X.AI Holdings Corp.	0.8	271.52	0.50
Spotify Technology S.A.	1.6	22.94	0.21
Space Exploration Technologies Corp.	18.1	0.00	0.00
Iridium Communications Inc.	0.5	–5.25	–0.06
Tesla, Inc.	30.6	–35.87	–15.67
Northvolt AB	0.0	–100.00	0.00
Fees	**–**	**–0.41**	**–0.41**
Total	**100.0***	**–17.40****	**–17.40****

Sources: Baron Capital, FTSE Russell, and FactSet PA.
** 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 March 31, 2025

	Year Acquired	Market Cap When Acquired ($ billions)	Quarter End Market Cap ($ billions)	Total Return (%)	Contribution to Return (%)
CoStar Group, Inc.	2005	0.7	33.4	10.68	0.57
X.AI Holdings Corp.	2022	30.6	104.5	271.52	0.50
Arch Capital Group Ltd.	2002	0.6	36.1	4.15	0.38
Spotify Technology S.A.	2020	22.6	112.1	22.94	0.21
The Charles Schwab Corporation	1992	1.0	146.0	6.12	0.19

CoStar Group, Inc. is the leading provider of information and marketing services to the commercial and residential real estate industry. Shares rose on an increase in the productivity of CoStar's sales force and signs of a start to the recovery of the commercial real estate market. Mixed results around net new sales following CoStar's significant investment in residential product Homes.com had pressured shares. We remain encouraged by growth in both traffic and brand awareness for the new product and are optimistic that the build out of a dedicated sales team as well as the potential benefits of changes in Multiple Listing Service practices will improve residential sales momentum. We also believe growth in CoStar's non-residential business is poised to accelerate. Sales productivity has begun to improve as salespeople return to exclusively selling their core product, and we expect this to be amplified as the sales force expands by 20% or more in 2025. We believe the value of CoStar's core non-residential business exceeds the share price, implying that investors ascribe negative value to the residential opportunity.

X.AI Holdings Corp. (xAI)* is developing an AI model "to understand the true nature of the universe." In a short period since its inception, xAI launched its AI model and product, including the third version of the model, Grok 3, which demonstrated top scores in evaluation tests, ahead of other industry-leading AI models. The company also opened the Colossus data center, operating more than 100,000 Graphical Processing Units and considered at the time to be the largest coherent training center in the world. Grok 3 was the first model trained on xAI's Colossus, leveraging more than 10 times the compute used to train Grok 2. Most recently, xAI acquired X, formerly Twitter. The acquisition is expected to improve alignment of corporate objectives, enhance resource allocation, and integrate data, compute, and products. In addition, it provides xAI access to X's vast, real-time, multimodal data generated by 600 million users worldwide. We value the stock based on recent share transactions, including the recently announced merger.

Shares of specialty insurer **Arch Capital Group Ltd.** rebounded from weakness in the prior quarter due to favorable operating trends and the relative stability of insurance stocks in a risk-off market. In the most recent quarter, the company reported better-than-expected earnings, and returns on equity remained strong in the high teens despite elevated catastrophe losses from Hurricane Milton. Management targets a 15% return on equity over a full cycle and expects to exceed the target in 2025 given firm market conditions. We continue to own the stock due to Arch's strong management team and our expectation of significant growth in earnings and book value.

Table IV.
Top detractors from performance for the quarter ended March 31, 2025

	Year Acquired	Market Cap When Acquired ($ billions)	Quarter End Market Cap ($ billions)	Total Return (%)	Contribution to Return (%)
Tesla, Inc.	2014	21.9	833.6	–35.85	–15.67
Hyatt Hotels Corporation	2009	4.2	11.8	–21.88	–1.58
Gartner, Inc.	2013	5.7	32.2	–13.36	–0.77
Vail Resorts, Inc.	2008	1.6	6.0	–13.46	–0.33
Birkenstock Holding plc	2023	7.6	8.6	–19.08	–0.23

Tesla, Inc. manufactures electric vehicles (EVs), solar products, and energy storage solutions alongside the development of advanced real-world AI technologies. Shares fell due to declining analyst expectations for auto delivery volume and margins in 2025 as a result of: 1) a refresh of the Model Y, its highest volume vehicle and the world's best selling car in 2024; 2) Elon Musk's controversial role in the Trump administration; and 3) regulatory changes that could pose potential operational challenges. Despite these headwinds, we remain confident in Tesla's long-term growth, underpinned by secular trends in EVs and energy storage adoption, a compelling product line, its leading cost structure, and cutting-edge technology. A Model Y refresh alongside the debut of new mass-market models should boost demand. Over time, we expect the political pressure to fade, while Tesla's AI ambitions – a robotaxi service launching this year and a fast-growing humanoid program – hold the promise of transforming its growth story.

Shares of global hotelier **Hyatt Hotels Corporation** detracted as Trump's tariff policies generated heightened uncertainty around the macroeconomic environment. While the volatility during the first quarter is a concern, we believe it will be short duration. Business fundamentals were strong, with solid forward bookings numbers as the business transient segment continued its post-pandemic recovery and the group business segment paced up by mid-single digits this year. We expect double-digit EBITDA growth in 2025. The company has a strong balance sheet. The planned acquisition of Playa Hotels should be accretive to earnings, especially as Hyatt sells the underlying real estate properties. Once the sale is complete, over 90% of revenue will be fee-based, which should help close Hyatt's multiple discount compared to peers.

Shares of **Gartner, Inc.**, a provider of syndicated research, fell on uncertainty around the impact of government spending reductions on the business. We estimate U.S. federal exposure is about 5% of Gartner's total research contract value, with about half from the Department of Defense and Intelligence organizations and half from civilian agencies. While DOGE-driven cost scrutiny is high, we believe Gartner's services deliver significant value to users, including the potential for hard dollar savings. The private sector business appears well positioned for sustained growth, and management is adept at exercising cost controls to sustain or enhance margins and free cash flow. The company's balance sheet is in excellent

* On March 28, 2025, X.AI Holdings Corp. (X.AI Holdings) acquired social media platform X Holding Corp. (X) and artificial intelligence company X.AI Corp. (xAI) in an all-stock transaction. The deal valued X at $33 billion and xAI at $80 billion, making the combined X.AI Holdings entity worth $113 billion.

shape, and we expect management to take advantage of this drawdown with aggressive share repurchases.

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 March 31, 2025, we held 21 investments. The median market capitalization of these growth companies was $32.2 billion. The top 10 positions represented 88.1% 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 16.39% annualized since conversion to a mutual fund on April 30, 2003, exceeding the Index by 5.06%.

The Fund's performance has also exceeded the Index over the prior 5-, 10-, 15-, and 20-year periods. But the distinct composition of the portfolio could result in periods of underperformance. The past 3-year period is one of those periods. And while we are disappointed with that distinct period, we are not alarmed by the relative underperformance. The low turnover strategy implemented by the Fund has previously resulted in similar stretches. And we have not only endured analogous periods throughout the Fund's history but have also typically emerged with strong absolute and relative performance in subsequent years. Although we have no guarantees 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 performs over the course of different market environments. Over the prior two years, the economy and markets have transitioned, in our opinion. The three-year period ended 12/31/2022 was a difficult time for growth investors. It was a period punctuated by a global pandemic, geopolitical instability, and macroeconomic headwinds. The VIX index was trading at above-average levels, while Barra factor returns for Beta and Growth were low. And the Index's annual return over this period was below its historical rate. Despite these challenges, the Fund's high quality growth portfolio weathered the period well.

However, the transition from that market environment to a more constructive one had been (temporarily) challenging. We believe lower quality, value-oriented businesses tend to be sought by investors along with mega-cap growth companies. This occurred at the end of 2022 and into 2023. It resulted in one calendar year (2022) when the Fund lagged its Index. Customers at many service businesses had retreated causing revenue growth to moderate. Suppliers had increased prices causing margins to be pressured. Higher interest rates increased financing costs and raised the discount on future earnings. Investors gravitated towards large, steady value-oriented businesses, which are largely not held in the Fund. The underperformance during the last nine months of 2022 and in the first quarter of 2025 is responsible for the Fund's three-year return trailing the Index. And as discussed earlier in this letter, the macro and political environment are undergoing a change.

Therefore, in addition to viewing the Fund's returns over these various SEC mandated trailing annual periods, we believe it is helpful to understand how the Fund has performed over economic cycles.

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 appreciated considerably in good times…

There have been two distinct periods over the life of the Fund with significant economic growth. The nearly 8-year period from the Fund's inception through the Internet Bubble (1/31/1992 to 12/31/1999) and the more recent 11-year period Post-Great Recession to the start of the COVID-19 (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 Russell 3000 Index had an annual return of 14.70% during that time.

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 3/31/2025	
	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	14.88	996,403
Russell Midcap Growth Index	(4.69)	6,488	3.85	11,200	9.94	231,582
Russell 3000 Index	(2.95)	7,634	7.07	12,273	10.25	254,207

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%.

The Fund is off to a good start in the current period…

Since the COVID pandemic and subsequent market downturn ended, the Fund has performed well on an absolute and relative basis. Since December 31, 2022, the Fund has an annualized return of 22.46% compared to the Index's annualized return of 17.14%. While this is only a partial cycle, we believe we are off to a good start.

Over the longer term, this combination of exceeding the Index in various market environments has been rewarding for clients. A $10,000 hypothetical investment at the inception of the Fund on January 31, 1992, would have been worth $996,403 on March 31, 2025. That same $10,000 hypothetical investment in a fund designed to track the Index would now be worth $231,582, only approximately 23% of what it would have been worth if invested in the Fund.

Portfolio Holdings

Table VII.
Top 10 holdings as of March 31, 2025

	Year Acquired	Market Cap When Acquired ($ billions)	Quarter End Market Cap ($ billions)	Quarter End Investment Value ($ millions)	Percent of Total Investments (%)
Tesla, Inc.	2014	21.9	833.6	2,311.7	30.6
Space Exploration Technologies Corp.	2017	21.6	349.1	1,366.7	18.1
Arch Capital Group Ltd.	2002	0.6	36.1	596.3	7.9
CoStar Group, Inc.	2005	0.7	33.4	556.2	7.4
Hyatt Hotels Corporation	2009	4.2	11.8	405.5	5.4
The Charles Schwab Corporation	1992	1.0	146.0	344.4	4.6
FactSet Research Systems Inc.	2007	2.7	17.3	295.5	3.9
Gartner, Inc.	2013	5.7	32.2	283.3	3.7
IDEXX Laboratories, Inc.	2013	4.7	34.0	266.7	3.5
Vail Resorts, Inc.	2008	1.6	6.0	232.0	3.1

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 31% of the Fund's assets are invested in Tesla stock. Therefore, the Fund is exposed to the risk that were Tesla stock to lose significant value, which could happen rapidly, the Fund's performance would be adversely affected. Specific risks associated with leverage include increased volatility of the Fund's returns and exposure of the Fund to greater risk of loss in any given period.

The Fund may not achieve its objectives. Portfolio holdings are subject to change. Current and future portfolio holdings are subject to risk.

The discussions of the companies herein are not intended as advice to any person regarding the advisability of investing in any particular security. The views expressed in this report reflect those of the respective portfolio managers only through the end of the period stated in this report. The portfolio manager's views are not intended as recommendations or investment advice to any person reading this report and are subject to change at any time based on market and other conditions and Baron has no obligation to update them. This report does not constitute an offer to sell or a solicitation of any offer to buy securities of Baron Partners Fund by anyone in any jurisdiction where it would be unlawful under the laws of that jurisdiction to make such offer or solicitation.

Free cash flow (FCF) represents the cash that a company generates after accounting for cash outflows to support operations and maintain its capital assets.

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

Dear Baron Fifth Avenue Growth Fund Shareholder:

Performance

Baron Fifth Avenue Growth Fund® (the Fund) declined 13.4% (Institutional Shares) during the first quarter, which compares to declines of 10.0% for the Russell 1000 Growth Index (R1KG) and 4.3% for the S&P 500 Index (SPX), the Fund's benchmarks.

Table I.
Performance
Annualized for periods ended March 31, 2025

	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]	(13.46)%	(13.43)%	(9.97)%	(4.27)%
One Year	5.63%	5.90%	7.76%	8.25%
Three Years	5.34%	5.61%	10.10%	9.06%
Five Years	11.23%	11.51%	20.09%	18.59%
Ten Years	11.27%	11.56%	15.12%	12.50%
Fifteen Years	12.14%	12.42%	15.29%	13.15%
Since Inception (April 30, 2004)	9.33%	9.54%	11.76%	10.19%

ALEX UMANSKY
PORTFOLIO MANAGER

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

We were off to an excellent start to the year with the Fund posting an 8.7% gain as of February 10, which followed an exceptional run that saw the Fund post a 117.1% cumulative gain over the last two years. This could only be characterized as a favorable investing environment with the R1KG and SPX advancing 2.7% and 3.3%, respectively, through February 10, and 90.3% and 57.9% over the last two years, respectively. Over the same time frame, the Morningstar Large Growth category was up 4.3% through February 10, and 74.3% cumulatively in 2023 and 2024.[5] Obviously, these were very strong returns for the Fund on both an absolute and relative basis. We believe, in no small part, these results were set up by a meaningful correction experienced by the market in 2022. While every correction, pullback, or bear market is different, at their core, they are always driven by fear, uncertainty, and doubt. It is easy and tempting to get lost in the details because they change every time, but *fundamentally, markets depend on stability and predictability*. Every time stability and predictability are threatened – markets pull back. In 2022, rapidly increasing inflation forced the Federal Reserve (the Fed) to aggressively raise interest rates. It destabilized the markets, created uncertainty in how much, how fast, and for how long, and most importantly, whether it would cause the U.S. economy to go into a (prolonged?) recession. It dramatically increased the range of possible outcomes – and the markets sold off. We are simplifying of

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 January 28, 2025 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.

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.

5 As of 3/31/2025, the annualized returns of the Morningstar Large Growth Category were 5.01%, 16.99%, and 12.61% for the 1-, 5-, and 10-year periods, respectively.

BARON FUNDS 1987

course, but if we zoom out, from the 30,000 foot view – we believe this is right. In the second half of this quarter, investors realized that DOGE, tariffs, and this administration's policies in general, were going to be disruptive and unpredictable and that the range of possible outcomes was dramatically larger than what investors were pricing in before – and the markets sold off. The Fund ended the quarter down 13.4%, while the R1KG declined 10.0%.

The Fund is focused on investing in Big Ideas, which often trade and can be thought of as long duration assets. As such, we are often subject to significant stock price fluctuations, especially over the short term and during extreme market volatility, while the intrinsic values of our businesses are far more stable. Nevertheless, it was a tough first quarter. From a performance attribution perspective, the entirety of the Fund's relative shortfall can be attributed to poor stock selection in Financials, Health Care, and Communication Services. Additionally, the Fund's lack of exposure to Consumer Staples, Energy, Real Estate, Materials, and Utilities accounted for another 21%. This was partially offset by strong stock selection in Information Technology (IT) and Consumer Discretionary, the Fund's two largest sectors, representing 66.5% of the Fund on average, and by an overweight to Health Care. From an absolute return perspective, we simply did not have enough winners, which was not terribly surprising given the broad market sell-off in the second half of the quarter. **X.AI**, **MercadoLibre**, **Veeva**, **CrowdStrike**, and **Mastercard** were our only gainers, and they were overpowered by the rest of the portfolio with **NVIDIA**, **Trade Desk**, **Tesla**, **Amazon**, and **ServiceNow** being material detractors.

We have invested a considerable amount of time and brain power in doing the post-mortem and analyzing lessons learned in an effort to, if not completely avoid, then at least meaningfully reduce the impact of big, sudden drawdowns. Our conclusion is that there is no way around it or over it, but through it! Because of who we are (long-term owners of businesses) and because of what we do (invest for the long term) we simply *have to go through the steps*. With this realization comes a newfound contentment. This, too, shall pass! The real challenge is having the wherewithal and confidence to admit and say, it's going to take a minute. We know that along the way, there will be great opportunities to come.

To be clear, this is NOT to suggest that we simply "let it ride." We are constantly re-underwriting the key assumptions that form the investment thesis for every company that we own, stress-testing them against our entire range of possible outcomes. The goal is to reduce investments in businesses where our conviction level has lessened and increase investments where our conviction level has increased or remains the same, while the stock price volatility has given us a renewed/attractive opportunity to add. Importantly, we refuse to give up long-term alpha for a chance to reduce short-term beta. *The analysis is conducted entirely on a company-by-company basis*.

Most of our decisions fall into one of three categories:

- **Easy** – there is no change in the business' fundamentals, in the KPIs that really matter. The decline in the stock can be attributed entirely to multiple contraction due to minor changes in macro conditions and investor psychology. These decisions are easy because over the long term, stock prices will reflect the business' intrinsic value, and if the former is unchanged, we can now get that same great business at a discount.
- **Medium** – there is clear impact on fundamentals, but we have high conviction that the impact is cyclical and hence temporary. If the slowdown is caused by macro and is industry-wide, as opposed to deteriorating competitive dynamics and company specifics, everyone's fundamentals (revenues, earnings, cash flows) will decline. This is what is known as a cyclical downturn. Stocks can move violently during cyclical downturns because multiples contract at the same time as the fundamentals. These decisions are more difficult because timing trough multiples on trough earnings is notoriously tricky and being too early can be painful, but there is meaningful upside here when the cycle turns, and both multiples and fundamentals return to normalized/trendline levels.
- **Hard** – there is a negative impact on fundamentals but it's not clear if it is cyclical or secular. Management teams will never admit a secular deterioration – it's not very common to hear a CEO admit that the competition is beating us or that advancements in AI might put all of us out of business. What we would hear instead is – it's the economy, the tariffs, or our favorite–the weather.

We have been pretty good at making decisions that fall into the first two categories. We have struggled with the third.

We believe our companies are well positioned to weather the storm, though like all businesses they will be impacted if the economy slows down or goes into recession.

- Most of our companies have limited or no direct exposure to the U.S. government. **ServiceNow** is at the high end of the spectrum with 10% to 15% of its revenues coming from government contracts as the key vendor chosen to modernize and digitize government processes. ServiceNow's software platform has a best-in-class 98% retention rate and is, in our view, one of the major beneficiaries of generative AI with over 1,000 current customers using its generative AI products. Still, we have been steadily reducing the size of our investment in ServiceNow ever since the official formation of DOGE.
- Most of our companies do not sell goods but instead provide critical services to their customers. **Datadog**, the leading cloud-based observability platform, has seen its stock decline by over 30% year-to-date because its revenues are based on consumption/usage and would likely be impacted by any significant cyclical downturn. However, its competitive position has gotten stronger, its market share is continuing to rise, and it is indexed to promising long-term secular trends of cloud adoption and accelerating app development, and is well positioned for AI as the critical central IT infrastructure platform for its customers.
- Most of our non-U.S. companies sell to customers outside the U.S – hence we do not expect any direct impact from tariffs. MercadoLibre, the e-commerce and fintech platform in Latin America, or **Coupang**, which does the same in South Korea, could see a cyclical slowdown in their respective geographies, but we believe their competitive positioning and long-term moats are unassailable.
- Even the remaining companies are not significant importers and should have limited direct exposure to tariffs. We own businesses that sell critical products or services to their customers that are not easily turned off or replaced. **Shopify** as an example, is the platform on which its merchants run their sales operations, or **Cloudflare,** that modernizes their customers' networks, run applications efficiently, securely, and reliably, and has a development platform (Workers) that is used by over 3 million developers.
- Many of our companies are platform businesses and leaders in their industries. These types of companies tend to become stronger during

more challenging times, as customers consolidate their spending on the most important vendors to save costs.

- Most of our companies are asset light and have net cash positions. They do not need to access capital markets when they may not be available.

In the meantime, we continue to be all bulled up about AI. Once again, we spent a better part of a week attending NVIDIA's developer conference, GTC 2025, in San Jose, California. Once again, we came out with greater conviction that AI is the biggest disruptive change we have seen in our careers. As models continue to move up and to the right on the intelligence curve, and down on the cost curve, new markets and opportunities open up. We attended a discussion with Noam Brown from OpenAI, who described the progress and opportunity: *"The pace of progress has exceeded everyone's expectations in the last 5 years... we need to look at the trajectory. Have very good reasons to be optimistic. Need to think about it as intelligence per token... the intelligence versus the cost curve... as even the most expensive models are much cheaper than humans... and the top human expert in a field is paid a lot."* Jensen Huang, NVIDIA's founder and CEO, similarly described how the opportunity is in the trillions of dollars for NVIDIA, calling the DeepSeek development (which led to investor concerns that AI would require less compute than previously expected) *"profoundly misunderstood... as reasoning models require over 100x more compute than previously thought."* NVIDIA's progress in AI across the stack, in hardware and software, and across industry domains remains unmatched. We have seen up close the upcoming Kyber server with *576 Rubin Ultra (next-next gen) GPUs* with compute trays stacked like books on one side, with Nvlink-based networking trays on the other side, and PCB boards connecting them without any cabling in between.

We are just getting started!

Table II.
Top contributors to performance for the quarter ended March 31, 2025

	Quarter End Market Cap ($ billions)	Contribution to Return (%)
X.AI Holdings Corp.	104.0	0.39
MercadoLibre, Inc.	98.9	0.27
Veeva Systems Inc.	37.7	0.09
CrowdStrike Holdings, Inc.	87.4	0.09
Mastercard Incorporated	511.7	0.05

X.AI Holdings Corp. (xAI)[6] is developing an AI model "to understand the true nature of the universe." In a short period since its inception, xAI launched its AI model and product, including the third version of the model, Grok 3. Grok demonstrated elevated user engagement and top scores in evaluation tests, surpassing other industry leading AI models. The company also commenced operation of its Colossus data center, operating more than 100,000 Graphical Processing Units, considered at the time to be the largest coherent training center in the world. Grok 3 was the first model trained on xAI's own data center, leveraging more than 10 times the compute used to train Grok 2. These early achievements showcased xAI's ability to drive rapid innovation cycles and the potential to maintain a key leadership position in the lucrative AI industry. Most recently, xAI acquired X, formerly Twitter. We expect the deal to accelerate innovation, expand growth opportunities, and drive efficiencies. We value xAI based on recent share transactions, including the recently announced merger.

MercadoLibre, Inc., the leading e-commerce marketplace across Latin America, contributed to performance as shares rose 14.7% in the quarter. The company reported solid fourth quarter results, with better-than-expected revenue growth of 37% year-on-year and a significant beat on operating earnings which reached $820 million, 33% above expectations. The company's 10.5% EBIT margin rebounded sharply, reversing previous quarter's decline and alleviating concerns about reinvestments impacting near-term profitability. MercadoLibre continues to post strong growth across KPIs, with a 56% year-on-year constant currency growth in Gross Merchandise Value and a 49% growth in Total Payments Volume, which gives us confidence in its ability to continue capturing a leading share of the structural growth opportunity for e-commerce and fintech in Latin America. We remain shareholders.

Veeva Systems Inc., a cloud platform focused on the life sciences industry, contributed to performance. Despite growing investor concerns over the pharmaceutical regulatory environment, quarterly results and full-year guidance both exceeded expectations. Platform adoption remained robust, highlighted by one of the largest subscription contracts in Veeva's history, and positive adoption trends are visible across all key product verticals, including clinical, safety, quality, and data. Management expressed confidence in the transition of the customer relationship management (CRM) solution from a Salesforce backend to an in-house system. Although a top client opted for a competitor, Veeva anticipates most customers will adopt its new CRM solution, which targets previously untapped service and marketing segments and will expand AI-based offerings. Data cloud, which represents a large market opportunity, and its new AI offerings, which are showing growing traction with early adopters, have expanded the company's opportunity and extended its growth runway.

Table III.
Top detractors from performance for the quarter ended March 31, 2025

	Quarter End Market Cap ($ billions)	Contribution to Return (%)
NVIDIA Corporation	2,644.5	–1.76
The Trade Desk	27.1	–1.59
Tesla, Inc.	833.6	–1.31
Amazon.com, Inc.	2,016.3	–1.12
ServiceNow, Inc.	165.0	–1.11

NVIDIA Corporation sells semiconductors, networking, systems, and software for accelerated computing, gaming, and AI. During the quarter, the stock corrected 19.3% as narratives shifted towards skepticism, ranging from concerns over a slower-than-expected AI adoption to fear that future AI training and inference workloads may become more compute-efficient, reducing demand for NVIDIA's systems. We believe these concerns are premature. Training cluster buildouts are progressing in line with expectations, while inference will scale gradually as enterprises integrate AI into real world workflows. Against this market narrative, NVIDIA delivered another strong quarter, exceeding expectations with 78% year-on-year revenue growth at a massive scale (revenue run rate is $160 billion), driven

6 On March 28, 2025, X.AI Holdings Corp. (X.AI Holdings) acquired social media platform X Holding Corp. (X) and artificial intelligence company X.AI Corp. (xAI) in an all-stock transaction. The deal valued X at $33 billion and xAI at $80 billion, making the combined X.AI Holdings entity worth $113 billion.

by record datacenter performance, with datacenter revenues up 94% from last year. The company's end-to-end platform approach continues to be differentiated and near-term concerns around the Blackwell ramp and supply chain proved overstated, as all GPU configurations are in full production. Longer term, our conviction remains high. All the industries bottlenecked by intelligence will leverage AI, unlocking trillions of dollars in value. Most of these AI workloads will be supported by large language models running in the datacenters. NVIDIA is uniquely positioned to power this transformation through its full-stack approach, spanning silicon, systems, software, and developer ecosystem, and hence its competitive moat continues to widen.

The Trade Desk is the leading internet advertising demand-side platform, enabling brands and agencies to efficiently purchase digital advertising across PC, mobile, and online video channels. Shares fell 53.4% as earnings missed guidance for the first time in 33 quarters since going public. Since the most recent earnings report, we have done substantial research to test our investment thesis. We believe the miss was largely due to a company reorganization in December and delays in its Kokai platform rollout, both of which have since improved. While we continue to watch the competitive landscape as Amazon enters the market more meaningfully, we believe Trade Desk still represents the best option for biddable Connected TV (CTV) inventory. We note Trade Desk gained share against the incumbent Google in the last five years, even when Google undercut the company on pricing, and major companies like Netflix, Disney, and Spotify have opened their ad inventory to Trade Desk. We remain shareholders and believe that Trade Desk's market remains large and underpenetrated, as the shift to CTV advertising is still in the early stages. As a result, we believe that Trade Desk can grow its top line by high teens to 20% year-over-year for years to come.

Tesla, Inc. manufactures electric vehicles (EVs), solar products, and energy storage solutions alongside the development of advanced real-world AI technologies. Shares fell 35.9% due to volume and margins headwinds in the automotive segment because of: 1) a Model Y refresh, Tesla's highest volume vehicle and the world's best-selling car in 2024; 2) Elon Musk's controversial role in the Trump administration; and 3) regulatory changes that could pose potential operational challenges. Despite these headwinds, we remain confident in Tesla's long-term growth, underpinned by secular trends in EVs and energy storage adoption, a compelling product line, its leading cost structure, and cutting-edge technology. A Model Y refresh alongside the debut of new mass-market models should boost demand. Over time, we expect the political pressure to fade, while Tesla's AI ambitions – a robotaxi service launching this year and a fast-growing humanoid program – hold the promise of transforming its growth story.

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 March 31, 2025, the top 10 holdings represented 59.0% of the Fund's net assets, and the top 20 represented 85.7%. The total number of investments in the portfolio was 32 at the end of the first quarter, down from 33 as of the end of 2024.

IT, Consumer Discretionary, Communication Services, Health Care, and Financials made up 98.2% of net assets. The remaining 1.8% was made up of **SpaceX** and **GM Cruise**, two of our three private investments classified as Industrials (the other one, **xAI** is included in Communication Services), and cash.

Table IV.
Top 10 holdings as of March 31, 2025

	Quarter End Market Cap ($ billions)	Quarter End Investment Value ($ millions)	Percent of Net Assets (%)
NVIDIA Corporation	2,644.5	57.5	9.4
Amazon.com, Inc.	2,016.3	54.7	9.0
Meta Platforms, Inc.	1,460.3	52.4	8.6
Shopify Inc.	123.6	45.0	7.4
Intuitive Surgical, Inc.	177.4	32.4	5.3
MercadoLibre, Inc.	98.9	27.3	4.5
Cloudflare, Inc.	38.9	27.0	4.4
ServiceNow, Inc.	165.0	24.6	4.0
Alphabet Inc.	1,894.5	19.6	3.2
Tesla, Inc.	833.6	19.6	3.2

Recent Activity

During the first quarter, we initiated a new position in the pharmaceutical company and weight-loss drug leader, **Eli Lilly**. We also took advantage of market volatility to add to 11 existing positions: **Samsara**, **KKR**, **Atlassian**, **Alphabet**, **Snowflake**, **Taiwan Semiconductor**, **Block**, **Datadog**, **Mobileye**, **Trade Desk**, and **MercadoLibre**. We financed those purchases by exiting our holdings in Microsoft and Mastercard. We also slightly reduced six other positions in order to free up capital for the above purchases.

Table V.
Top net purchases for the quarter ended March 31, 2025

	Quarter End Market Cap ($ billions)	Net Amount Purchased ($ millions)
Eli Lilly and Company	783.0	9.9
Samsara Inc.	21.8	8.1
KKR & Co. Inc.	102.7	4.4
Atlassian Corporation Plc	55.6	4.3
Alphabet Inc.	1,894.5	4.2

During the quarter, we initiated a new position in **Eli Lilly and Company**, a global pharmaceutical company currently best known for GLP-1 medications for diabetes and obesity.

Obesity is a significant public health problem in America with 74% of adults considered overweight, including 42% who are considered obese. Obesity is not just an "aesthetics" issue. Excess fat is the primary driver of metabolic syndrome conditions such as heart disease, stroke, and diabetes, as well as other comorbidities like sleep apnea, autoimmune diseases, osteoarthritis, and likely some types of cancers. All of these conditions cause significant morbidity and mortality. Obesity costs the U.S. health care system almost $173 billion in direct costs each year (source: CDC) and the annual indirect economic impact exceeds $1.4 trillion (source: Milken Institute).

The most recent generation of GLP-1 drugs (Lilly brand names Mounjaro/Zepbound) not only offer superb blood sugar control for diabetics, but impressively can drive above 20% weight loss and likely improve cardiovascular outcomes in both diabetic and non-diabetic obese patients. These drugs have the potential to prevent a number of weight-related comorbidities and to transform patients' lives.

In the U.S. alone, there are roughly 32 million Type-2 diabetics and an additional 105 million obese patients who would qualify for GLP-1 drugs. Of these patients, we estimate only around 8 million patients are on FDA-approved GLP-1 drugs today. We think these drugs will continue to launch well as awareness and insurance coverage grows, and as Lilly generates more data to show the dramatic impact GLP-1 drugs can have on other medical comorbidities. We think that these drugs will become the standard of care and a $150 billion category.

We see Lilly as a leader in the space, setting a high efficacy bar with their GLP-1 drugs and capturing significant long term market share. Beyond Mounjaro/Zepbound, Lilly continues to develop next generation drugs, including orforglipron, which is a daily pill that we expect will drive mid-teens percent weight loss, and retatrutide, which is a high efficacy injectable that we think will drive roughly 25% weight loss. We expect these next-generation drugs to launch in 2026-2027. We think that Lilly's next-generation drugs look best-in-class and that the company's decades of research in this area gives it a competitive advantage.

Beyond the growth in diabetes and obesity, Lilly has a deep pipeline across immunology, oncology, and neurology. We are particularly excited about Lilly's study in presymptomatic Alzheimer's patients, their potentially one-yearly Lp(a) injection for the primary prevention of cardiovascular disease, and imlunestrant for adjuvant breast cancer.

In terms of existing names, our largest add in the quarter was **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. We took advantage of the sell-off in the stock, which declined from a peak of $61 in February into the $30s on investor concerns related to the potential headwinds from tariffs and a macro downturn. While the company in the past has proven resilient to downturns (we believe due to its high and immediate ROI to customers and its exposure to essential services (e.g., waste management and food delivery), even if there was a cyclical impact to the business, we believe the company's uniqueness and long runway for growth create an opportunity to invest in a great business at an attractive valuation for investors with a long enough time horizon. Samsara's leading video-based safety continues to drive higher win rates against telematics-only competitors, and it is reaching a data scale that makes it tough for any video-based safety alternative to catch up as its data moat widens, driving better safety, cost savings, and ROI for customers: *"We've now built one of the world's largest operational data assets with over 14 trillion data points processed annually, representing over 50% year-over-year growth."*[7] These data points span 80 billion miles traveled (25%-plus year-over-year growth) and 120 billion-plus API calls (50%-plus year-over-year growth). Samsara prevented 250,000 accidents, digitized 300 million workflows, and reduced 3 billion pounds of CO2 emissions. Moreover, we believe that the company would benefit from a long growth runway as video-based safety products are currently attached to just 10% total commercial vehicles on the road, while new growth drivers are just getting started, including non-vehicle products like asset tags and its AI-based Samsara Intelligence.

Our second largest addition in the quarter was to the alternative asset manager, **KKR & Co. Inc.** Similarly to Samsara, we took advantage of the volatility in the stock market to add to this great business. While investors are concerned about the potential near-term slowdown in realizations, capital markets activity, and carry (performance fees), we remain focused on the long term. Various secular tailwinds that benefited KKR thus far continue – this includes the growing allocation to alternatives, its diversified asset class exposure, its successful track record of performance, and its significant exposure to the growth of private credit through its ownership of Global Atlantic, which has a differentiated positioning thanks to the structural match in duration between the asset side and the liability side.

We also added to the following existing positions:

- The IT planning and project management software, **Atlassian Corporation Plc** – We visited the company during the quarter and came away with greater conviction in the company's innovation velocity, runway for growth thanks to its move up-market, cloud migration and seat expansion opportunity, and the growing maturity of its go-to-market engine. We were able to take advantage of market volatility to add to our position.
- The parent company of Google, the world's largest search and online advertising company, **Alphabet Inc.** – While the company continues to hold over 90% market share in search, it also owns the world's leading video platform, YouTube, a leading hyperscaler, Google Cloud, a leading ad network, and optionality in a number of smaller subsidiaries like the autonomous vehicle company, Waymo.
- The leading data platform, **Snowflake Inc.** – We visited the company's headquarters during the quarter and came away more excited about its product vision and go-to-market execution capabilities under new management. While the company's revenues are usage-based and therefore might be cyclically impacted in case of a slowdown, we believe its future is bright thanks to its differentiated offering as a central data platform, which is increasingly addressing data on and off the platform (thanks to iceberg open format), across structured as well as unstructured formats, opening the opportunity to help its enterprise customers benefit from AI.
- The leading semiconductor manufacturer, **Taiwan Semiconductor Manufacturing Company Limited** – We believe it will continue to benefit from the company's long duration of growth ahead as a critical enabler of semiconductors for AI.

Lastly, we added to several other existing names, taking advantage of their stock price volatility including the fintech company, **Block, Inc.**, the observability platform, **Datadog, Inc.**, the autonomous and assisted driving solutions provider, **Mobileye Global Inc.**, the demand-side platform, **The Trade Desk**, and the Latin American e-commerce platform, **MercadoLibre, Inc.**

[7] https://s29.q4cdn.com/853855404/files/doc_financials/2025/q4/Q4-2025-Earnings-Transcript.pdf

Table VI.
Top net sales for the quarter ended March 31, 2025

	Quarter End Market Cap ($ billions)	Net Amount Sold ($ millions)
Microsoft Corporation	2,937.6	26.8
Mastercard Incorporated	511.7	17.3
ServiceNow, Inc.	165.0	5.1
CrowdStrike Holdings, Inc.	87.4	3.7
Intuitive Surgical, Inc.	177.4	2.2

We sold our **Microsoft Corporation** and **Mastercard Incorporated** positions during the quarter and reduced several of our existing positions to finance the purchases we made in the quarter. While we continue to view both Microsoft and Mastercard as great businesses and continue to own both in the Baron Durable Advantage Fund, we saw a more exciting growth profile in the other names which we were able to add to at more attractive prices.

Outlook

"*Buy when there is blood in the streets, even if the blood is your own.*" – Baron Rothschild, the famous 19th century banker[8]

Despite the gory imagery this quote resonates with us two centuries later. Here is more contemporary wisdom from Ron Baron sent to all of our portfolio managers and research analysts after our most recent meeting:

"I don't expect anyone to have answers about tariffs, dollar weakness, recession, etc. We do expect all analysts and portfolio managers to be completely knowledgeable and up to date on current and most importantly long- term growth prospects for the businesses we own. Note long term. No one knows what will happen short term …and we should not be trying to take advantage of short- term volatility. Not what we do. The reason we have outperformed forever is because of our long-term focus on people and business fundamentals. MACRO had zero impact on our 43-year record. You got to remember John Lennon premise: 'in the end, everything will work out. And if it doesn't. It's not the end.' Nothing truer."

We could not agree more or say it better ourselves. Markets are always, ALWAYS driven by **fear**. It is fear of missing out (FOMO) that drives markets higher, and it is fear of losing money that drives markets lower. It is always fear that drives markets over the short term, but it is the fundamentals that drive wealth creation over time. Really big opportunities come when you are willing to invest when other people are not!

We believe the portfolio is in much better shape than it was entering 2022. We have consolidated the number of holdings to 32 of our highest conviction investments with over 85% of the Fund concentrated in the top 20. Current valuations are significantly more palatable with **NVIDIA** (as an example) trading at a similar P/E ratio as the S&P 500 Index, *the lowest relative multiple the stock has had since 2013*[9]. Another example, **MercadoLibre**, the leading Latin-American e-commerce and fintech platform offers nearly a 5% *current* free-cash flow yield, despite growing revenues over 40% last year, with long runway for growth as e-commerce remains underpenetrated in the region. It is also not directly exposed to tariffs as it has no business in the U.S.

As we do every quarter, we analyzed the change in the weighted average multiple of the Fund and the weighted average change in consensus expectations for 2025 (for revenues, operating income, and operating margins). The Fund's weighted average multiple contracted 15.2% during the first quarter. Since the Fund was down 13.4%, fundamentals improved slightly. Revenue expectations for 2025 increased by 0.2%, operating income expectations increased by 0.2%, and operating margin expectations declined by 16bps. While fundamentals remained broadly stable during the first quarter, we do expect some cyclical deterioration starting with the second quarter due to the impact of the tariff announcements. That said, we continue to believe that we own the highest quality platform businesses that will likely emerge from this challenging and uncertain economic environment stronger than they were going into it.

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 target companies are trading at attractive prices relative to their intrinsic values.

Sincerely,

Alex Umansky
Portfolio Manager

[8] https://www.forbes.com/2009/02/23/contrarian-markets-boeing-personal-finance_investopedia.html
[9] NVIDIA's P/E on next 12 months EPS based on FactSet consensus estimates is only at a 3% premium to the S&P 500 Index, its lowest level since January 2013. NVIDIA's P/E on next 12 months EPS based on FactSet consensus estimates is only at a 3% premium to the S&P 500 Index, its lowest level since January 2013.

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.

Alpha measures the difference between a fund's actual returns and its expected performance, given its level of risk as measured by beta. **Beta** explains common variation in stock returns due to different stock sensitivities to market or systematic risk that cannot be explained by the US Country factor. Positive exposure indicates high beta stock. Negative exposure indicates low beta stock. **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.

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Baron Focused Growth Fund

Dear Baron Focused Growth Fund Shareholder:

Performance

One of my favorite executive quotes is from Chris Nassetta, the CEO of Hilton Hotels. When asked by an analyst on one of his quarterly earnings conference calls why he is always so optimistic, he replied "No one ever got rich by being a pessimist." I agree with that and always try to look on the bright side of things.

Challenges and uncertainty create opportunity. Some of the best businesses in the world were founded during periods of uncertainty and distress. These include **Airbnb, Inc.** (current holding), Uber and Venmo demonstrating that economic downturns and/or periods of uncertainty can also be great times for innovation and entrepreneurship.

We see increased innovation and entrepreneurship in many of the companies we are speaking to today with executives continuing to invest in their businesses for further growth. While they are taking their time to think through what exactly tariffs mean for their businesses and how they are going to react, we believe this is prudent and think our portfolio companies should continue to grow even during a period of higher costs and potential economic uncertainty.

Table I.
Performance
Annualized for periods ended March 31, 2025

	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]	(8.01)%	(7.95)%	(10.80)%	(4.72)%
One Year	17.25%	17.56%	(6.37)%	7.22%
Three Years	5.80%	6.07%	0.55%	8.22%
Five Years	28.14%	28.47%	11.37%	18.18%
Ten Years	16.63%	16.93%	7.44%	11.80%
Fifteen Years	15.24%	15.54%	10.53%	12.76%
Since Conversion (June 30, 2008)	13.16%	13.43%	9.23%	11.07%
Since Inception (May 31, 1996)	13.28%	13.43%	7.73%	9.52%

DAVID BARON
CO-PRESIDENT AND
PORTFOLIO MANAGER

RONALD BARON
CEO AND
PORTFOLIO MANAGER

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

We find the current portfolio unusually attractive after the recent market declines and believe now is the right time to allocate capital for five reasons.

1. This is not the first time the executives of our portfolio companies have had to deal with uncertainty and challenges as many have been leading their companies for years and have had to deal with crisis before including COVID, the Great Financial Crisis, and numerous periods of uncertainty. They successfully navigated their companies then and came through it stronger and we believe they should be able to do the same now.
2. Two-thirds of the portfolio are led by founders whose interests are significantly aligned with ours, giving us further confidence in the investments and decisions they make.

Performance listed in the above table is net of annual operating expenses. Annual expense ratio for the Retail Shares and Institutional Shares as of April 26, 2024 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 US companies representing approximately 98% of the investable US 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.

3. While periods of uncertainty can be distressing for investors, we believe our companies should be able to better weather the storm and come out stronger as 70% of the portfolio has some form of recurring revenue adding stability to our portfolio companies' earnings and cash flow.
4. Our portfolio company balance sheets are stronger today than they have been historically with 75% of the portfolio having financial leverage below company targeted levels, giving them added liquidity during this uncertain time.
5. Finally, while the almost 20% decline in the S&P 500 Index from peak levels reached in February can be unnerving to investors, we are finding attractive opportunities in both existing and new names and are adding them to the portfolio. We believe the risk/reward in many investments skews positive.

As far as the portfolio goes, it was a rough start to the year. Baron Focused Growth Fund® (the Fund) declined 7.95% (Institutional Shares) in the first quarter compared to the Russell 2500 Growth Index (the Benchmark), which lost 10.80%. The Fund was weak in the quarter as our **Real/Irreplaceable Assets** investments that comprise 18.6% of the Fund's net assets declined as many have a cyclical element to them and investors were concerned about a potential recession from the implementation of President Trump's tariffs. This combined with lowered expectations for the Federal Reserve to continue to lower interest rates over the next year given the inflationary impact of tariffs led to additional declines across the portfolio.

However, despite the tough stock price performance in the quarter, our portfolio companies continue to generate strong financial results. While there continues to be concerns of a slowdown in consumer spending and capital investments due to higher interest rates, inflation, and Trump's tariff policies, the executives of our businesses are navigating it well. Their businesses have yet to experience changes in customer demographics or spending habits. While inflation has impacted company operating expenses, including labor, insurance and utilities, most of our portfolio companies have been able to offset these cost increases with higher prices without impacting demand.

We believe the same should be the case with the tariffs and companies should be able to either partially or fully offset the higher cost of goods sold through an increase in prices. This should lead to stable margins and cash flow for businesses held in the Fund, which when combined with some of the strongest balance sheets in their respective industries, should continue to create a less volatile portfolio with strong risk-adjusted returns for our shareholders.

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 theses 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 89%, 123%, and 113%, respectively, of the upside when the market increased. When markets declined, the Fund lost less with 73%, 76%, and 81% downside capture, respectively. As a result, the Fund's Sharpe ratio, a measure of risk-adjusted return, was significantly higher than the Benchmark 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 at what we believe are attractive valuations relative to what these businesses can become. As a result, as shown in the table below, the Fund has outperformed its Benchmark for all respective periods including since its inception on May 31, 1996. **Since its inception as a private partnership almost 29 years ago, the Fund has increased 13.43% annually. This compares to a 7.73% annualized return for the Benchmark and a 9.52% annualized return for the Russell 3000 Index that measures the performance of the largest 3,000 U.S. companies.**

Performance was led by our **Core Growth** investments, the majority of which are software and data companies that are more immune to President Trump's tariff policies. Included in this category of investments are **Guidewire Software, Inc.** (as seen below in the list of top contributors), **CoStar Group, Inc.**, and **Verisk Analytics, Inc.**

Real estate data and marketing platform CoStar increased 10.6% in the quarter and helped performance by 33 bps. CoStar's share price increase was due to an acceleration in daily active users on its Homes.com platform as its marketing investments begin to generate returns. Its monthly active users have already reached 110 million and compares to Zillow's 204 million users. This is very positive as CoStar is demonstrating that it can drive meaningful traffic growth to its platform. We believe the acceleration in investment over the past two years is helping drive organic growth on its Homes.com platform and expand the company's addressable market. We believe investors are currently attributing negative equity value to this. Over the next five years, we believe CoStar's residential investment could add at least $1 billion to annualized revenue at a significantly accretive margin. This would result in a 33% increase in today's $3 billion in revenue and an approximate 50% increase in EBITDA. Longer term, we believe this investment opportunity is several multiples of $1 billion of revenue. CoStar is seeing a rebound in net new bookings in its commercial real estate businesses and strength in its retention rates, despite implementing price increases across its suite of products. It continues to have a strong balance sheet, with $5 billion of cash and just $1 billion of debt. We are not concerned with its residential investment and believe it should generate strong returns over time.

Our **Financials** investments were also relatively strong in the quarter, beating the Benchmark as this category of investments was more defensive in nature given these companies generate more recurring revenue with high retention rates that are also more immune to President Trump's tariff policies. These companies included **Arch Capital Group Ltd.**, **FactSet Research Systems Inc.**, and **MSCI Inc.**

Shares of diversified property, casualty, and mortgage insurer Arch increased 4.1% and helped performance by 18 bps in the quarter. The company continued to increase premiums written while raising prices. This strong pricing is resulting in robust returns on investments with increased earnings and cash flow that the company continues to use to repurchase its shares. We believe that Arch will continue to generate mid-teens returns on capital and that the company's valuation remains attractive. Its stock is trading at a low double-digit multiple of earnings, which are growing at a mid-teens annual growth rate.

This was offset by declines in our Real/Irreplaceable Assets investments, which are more cyclical in nature and could be impacted by a U.S. recession if we enter one. These included investments in **Las Vegas Sands Corporation**, **Hyatt Hotels Corporation** (as indicated in top detractors table below), and **Vail Resorts, Inc.**

Las Vegas Sands shares underperformed in the first quarter, declining 22.6% and hurting performance by 41 bps as investors were concerned with growth in the Macau market given the expected deceleration in the Chinese economy due to President Trump's tariffs. This created uncertainty about the potential return the company would see from its recent almost $2 billion investment in the market. However, while this is a concern and something to monitor, we believe the company is still experiencing some disruption from its projects, but this is coming to an end starting in May when the work is expected to be completed. Once finished, we believe the company should capture additional market share and generate a respectable return on capital over the following year. The company is still generating strong cash flow and has the best balance sheet in the gaming industry with leverage of just 2x. This is giving the company additional liquidity to increase its capital returns to shareholders while they wait for the EBITDA returns. The company is currently buying back $2 billion of its stock a year, 8% of the company, while paying out a well-covered and respectable 3% yielding dividend. The stock is currently trading at a 6 multiple point discount to its historical valuation which we believe should narrow as investors begin to see the return from its recent capital projects and the Macau market reaccelerates again.

Shares of global ski resort operator Vail declined 13.4% in the first quarter and hurt performance by 51 bps. This was due to concerns that a potential recession would result in a slowdown in visitation and spending levels. While we are closely monitoring economic conditions, Vail has not experienced significant declines in visitation or spending levels at its resorts. Favorable late-season ski conditions produced an uptick in destination skiers, who tend to stay longer and spend more. In addition, a base of recurring revenue from season pass sales provides visibility into earnings and cash flow. We expect to see EBITDA growth this year with enough free cash flow to fund Vail's well-covered 6% yielding dividend. A strong balance sheet and high-end customer base should provide resiliency in the event of an economic slowdown. Vail 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 CFO recently bought stock personally at higher than current stock price levels, giving us further confidence in our view that the stock is attractively valued.

Table II.
Total returns by category for the quarter ended March 31, 2025

	Percent of Net Assets (%)	Total Return (%)	Contribution to Return (%)
Core Growth	**21.9**	**–3.95**	**–0.92**
Guidewire Software, Inc.	4.9	11.48	0.45
CoStar Group, Inc.	4.4	10.62	0.33
Verisk Analytics, Inc.	2.9	8.59	0.15
IDEXX Laboratories, Inc.	4.4	1.92	–0.01
Live Nation Entertainment, Inc.	1.6	1.92	0.00
Birkenstock Holding plc	3.4	–18.20	–0.52
Illumina, Inc.	0.0	–35.38	–0.46
Krispy Kreme, Inc.	0.2	–51.22	–0.86
Financials	**15.9**	**–4.41**	**–0.75**
Arch Capital Group Ltd.	4.1	4.15	0.18
FactSet Research Systems Inc.	2.7	–5.12	–0.13
MSCI Inc.	4.0	–5.22	–0.18
Interactive Brokers Group, Inc.	4.2	–6.16	–0.36
Jefferies Financial Group Inc.	0.9	–31.77	–0.26
Disruptive Growth	**40.8**	**–8.89**	**–3.40**
X.AI Holdings Corp.	2.9	68.87	1.19
Spotify Technology S.A.	6.8	22.94	1.08
Space Exploration Technologies Corp.	11.3	0.00	0.00
Iridium Communications Inc.	1.1	–5.40	–0.09
ANSYS, Inc.	1.5	–6.16	–0.09
Shopify Inc.	3.0	–10.20	–0.36
BioNTech SE	0.0	–11.72	–0.08
On Holding AG	4.8	–18.69	–0.86
FIGS, Inc.	1.8	–25.85	–0.59
Tesla, Inc.	7.5	–35.83	–3.62
Russell 2500 Growth Index		**–10.80**	
Real/Irreplaceable Assets	**18.6**	**–13.38**	**–2.66**
American Homes 4 Rent	0.0	–4.11	–0.02
Red Rock Resorts, Inc.	3.5	–5.66	–0.27
Choice Hotels International, Inc.	2.5	–6.29	–0.20
Airbnb, Inc.	0.8	–9.09	–0.09
Douglas Emmett, Inc.	1.1	–12.76	–0.16
Vail Resorts, Inc.	4.2	–13.40	–0.51
Hyatt Hotels Corporation	4.2	–20.93	–1.01
Las Vegas Sands Corporation	2.3	–22.63	–0.41
Cash and Cash Equivalents	**2.9**	**–**	**0.03**
Fees	**–**	**–0.25**	**–0.25**
Total	**100.0***	**–7.96****	**–7.96****

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

* *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 March 31, 2025

	Year Acquired	Market Cap When Acquired ($ billions)	Quarter End Market Cap ($ billions)	Total Return (%)	Contribution to Return (%)
X.AI Holdings Corp.	2024	17.9	104.5	68.87	1.19
Spotify Technology S.A.	2020	45.4	112.1	22.94	1.08
Guidewire Software, Inc.	2013	2.7	15.7	11.30	0.45
CoStar Group, Inc.	2014	6.2	33.4	10.65	0.33
Arch Capital Group Ltd.	2003	0.9	36.1	4.15	0.18

X.AI Holdings Corp. (xAI) is developing an AI model "to understand the true nature of the universe." In a short period since its inception, xAI launched its AI model and product, including the third version of the model, Grok 3, which demonstrated top scores in evaluation tests, ahead of other industry-leading AI models. The company also opened the Colossus data center, operating more than 100,000 Graphical Processing Units and considered at the time to be the largest coherent training center in the world. Grok 3 was the first model trained on xAI's Colossus, leveraging more than 10 times the compute used to train Grok 2. Most recently, xAI acquired X, formerly Twitter. The acquisition is expected to improve alignment of corporate objectives, enhance resource allocation, and integrate data, compute, and products. In addition, it provides xAI access to X's vast, real-time, multimodal data generated by 600 million users worldwide. We value the stock based on recent share transactions, including the recently announced merger.

Spotify Technology S.A. is a leading global digital music service offering on-demand audio streaming through paid premium subscriptions and an ad-supported model. Shares were up, once again attributable to another impressive beat in gross margins and a healthy increase in operating margins. Spotify has been on a path to structurally increase gross margins, aided by its high-margin artist promotions marketplace, growing contribution from podcasts, and structural investments in advertising. Users continued to grow at a double-digit pace despite price hikes. Spotify also continued to innovate on the product side, calling 2025 the "year of accelerated execution," with priorities in improving advertising, expanding into video, developing a Super Premium tier, and taking more market share. We view Spotify as a long-term winner in music streaming with potential to reach 1 billion-plus monthly active users.

Shares of property and casualty (P&C) insurance software vendor **Guidewire Software, Inc.** contributed to performance in the quarter. After a multi-year period, we believe Guidewire's cloud transition is substantially over, and 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 InsuranceSuite Cloud. We also expect the company to shift R&D resources to product development from infrastructure investment, which will help drive cross-sales into its sticky installed base and potentially accelerate ARR over time. We are also encouraged by Guidewire's subscription-based gross margin expansion, which improved by more than 1,000 basis points 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%.

Table IV.
Top detractors from performance for the quarter ended March 31, 2025

	Year Acquired	Market Cap When Acquired ($ billions)	Quarter End Market Cap ($ billions)	Total Return (%)	Contribution to Return (%)
Tesla, Inc.	2014	31.2	833.6	–35.83	–3.62
Hyatt Hotels Corporation	2009	4.2	11.8	–21.35	–1.01
Krispy Kreme, Inc.	2021	2.4	0.8	–50.66	–0.86
On Holding AG	2023	10.1	14.2	–19.28	–0.86
FIGS, Inc.	2022	1.5	0.7	–25.85	–0.59

Tesla, Inc. manufactures electric vehicles (EVs), solar products, and energy storage solutions alongside the development of advanced real-world AI technologies. Shares fell due to declining analyst expectations for auto delivery volume and margins in 2025 as a result of 1) a refresh of the Model Y, its highest volume vehicle and the world's best selling car in 2024; 2) Elon Musk's controversial role in the Trump administration; and 3) regulatory changes that could pose potential operational challenges. Despite these headwinds, we remain confident in Tesla's long-term growth, underpinned by secular trends in EVs and energy storage adoption, a compelling product line, its leading cost structure, and cutting-edge technology. A Model Y refresh alongside the debut of new mass-market models should boost demand. Over time, we expect the political pressure to fade, while Tesla's AI ambitions—a robotaxi service launching this year and a fast-growing humanoid program—hold the promise of transforming its growth story.

Shares of global hotelier **Hyatt Hotels Corporation** detracted as Trump's tariff policies generated heightened uncertainty around the macroeconomic environment. While the volatility during the first quarter is a concern, we believe it will be short term. Business fundamentals were strong, with solid forward bookings numbers as the business transient segment continued its post-pandemic recovery and the group business segment paced up by mid-single-digits. We expect double-digit EBITDA growth in 2025. The company has a strong balance sheet. The planned acquisition of Playa Hotels should be accretive to earnings, especially after Hyatt sells the underlying real estate properties. Once the sale is complete, over 90% of revenue will be fee-based, which should help close Hyatt's multiple discount to peers.

Shares of **Krispy Kreme, Inc.** traded down following softer-than-expected quarterly earnings as a result of a cybersecurity incident that disrupted its online ordering system, a decline in U.S. retail sales, and weak international EBITDA margins due to disappointing performance in the U.K. 2025 guidance also missed expectations. We remain investors. Management is taking a conservative approach as it continues the national rollout with McDonald's, which will significantly increase Krispy Kreme's points of distribution and provide additional consumer awareness for the brand throughout the U.S.

Investment Strategy and 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 March 31, 2025, the Fund owned 28 investments. The Fund's average portfolio turnover for the past three years was 8.8%. This means the Fund has an average holding period for its investments of over 11 years. This compares to the average mid-cap growth mutual fund that typically turns over its entire portfolio every 16 months. From a quality standpoint, the Fund's investments have generally 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 35.2% of net assets in this sector versus 13.9% 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 8.4% cumulative exposure to these sectors. The Fund also has lower exposure to Health Care stocks at 4.4% versus 21.6% 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 who is benefiting from the increase in pets that people acquired during the COVID pandemic, especially as these pets age. The Fund is further diversified by investments in businesses at different stages of growth and development.

Table V.
Disruptive Growth Companies as of March 31, 2025

	Percent of Net Assets (%)	Year Acquired	Cumulative Return Since Date Acquired (%)
Space Exploration Technologies Corp.	11.3	2017	1,237.8
Tesla, Inc.	7.5	2014	1,452.4
Spotify Technology S.A.	6.8	2020	129.9
On Holding AG	4.8	2023	37.7
Shopify Inc.	3.0	2022	174.3
X.AI Holdings Corp.	2.9	2024	205.4
FIGS, Inc.	1.8	2022	–49.9
ANSYS, Inc.	1.5	2022	30.0
Iridium Communications Inc.	1.1	2014	315.5

Disruptive Growth firms accounted for 40.8% 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 March 31, 2025

	Percent of Net Assets (%)	Year Acquired	Cumulative Return Since Date Acquired (%)
Guidewire Software, Inc.	4.9	2013	305.4
IDEXX Laboratories, Inc.	4.4	2022	–4.8
CoStar Group, Inc.	4.4	2014	270.2
Birkenstock Holding plc	3.4	2023	14.1
Verisk Analytics, Inc.	2.9	2022	74.6
Live Nation Entertainment, Inc.	1.6	2024	–6.9
Krispy Kreme, Inc.	0.2	2021	–64.0

Core Growth investments, steady growers that continually invest in their businesses for growth and return excess free-cash-flow to shareholders, represented 21.9% of net assets. An example would be **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 March 31, 2025

	Percent of Net Assets (%)	Year Acquired	Cumulative Return Since Date Acquired (%)
Vail Resorts, Inc.	4.2	2013	240.7
Hyatt Hotels Corporation	4.2	2009	350.6
Red Rock Resorts, Inc.	3.5	2017	144.5
Choice Hotels International, Inc.	2.5	2010	567.9
Las Vegas Sands Corporation	2.3	2023	–12.8
Douglas Emmett, Inc.	1.1	2022	13.9
Airbnb, Inc.	0.8	2024	4.2

Companies that own what we believe are **Real/Irreplaceable Assets** represented 18.6% 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 pricing power.

Table VIII.
Financials Investments as of March 31, 2025

	Percent of Net Assets (%)	Year Acquired	Cumulative Return Since Date Acquired (%)
Interactive Brokers Group, Inc.	4.2	2023	109.3
Arch Capital Group Ltd.	4.1	2003	2,677.7
MSCI Inc.	4.0	2021	–10.3
FactSet Research Systems Inc.	2.7	2008	959.8
Jefferies Financial Group Inc.	0.9	2023	84.5

Financials investments accounted for 15.9% 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 March 31, 2025, the Fund's top 10 holdings represented 56.7% 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, **Space Exploration Technologies Corp.**, **Tesla, Inc.**, **Spotify Technology S.A.**, **Guidewire Software, Inc.**, and **On Holding AG** 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 March 31, 2025

	Year Acquired	Market Cap When Acquired ($ billions)	Quarter End Market Cap ($ billions)	Quarter End Investment Value ($ millions)	Percent of Net Assets (%)
Space Exploration Technologies Corp.	2017	21.6	349.1	240.5	11.3
Tesla, Inc.	2014	31.2	833.6	159.4	7.5
Spotify Technology S.A.	2020	45.4	112.1	144.1	6.8
Guidewire Software, Inc.	2013	2.7	15.7	104.2	4.9
On Holding AG	2023	10.1	14.2	101.7	4.8
IDEXX Laboratories, Inc.	2022	36.5	34.0	93.9	4.4
CoStar Group, Inc.	2014	6.2	33.4	92.8	4.4
Interactive Brokers Group, Inc.	2023	33.8	70.5	89.4	4.2
Vail Resorts, Inc.	2013	2.3	6.0	88.6	4.2
Hyatt Hotels Corporation	2009	4.2	11.8	88.4	4.2

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 the 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.

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 International Growth Fund Shareholder:

Performance

Baron International Growth Fund® (the Fund) gained 0.71% (Institutional Shares) during the first quarter of 2025, while its primary benchmark, the MSCI ACWI ex USA Index (the Benchmark), appreciated 5.23%. The MSCI ACWI ex USA IMI Growth Index (the Proxy Benchmark) gained 1.46% for the quarter. The Fund notably underperformed the Benchmark, which in our view is to be expected in a quarter where returns are dominated by value-oriented equities, while only modestly trailing the growth-oriented Proxy Benchmark, which is a more relevant comparison in current market conditions. In our view, the somewhat volatile quarter for global equities was marked by uncertainty around President Trump's policy agenda priorities early in his second term, while the principal catalyst driving global capital markets during the quarter was a change in consensus thinking regarding a U.S. foreign policy pivot and the role of U.S. tariffs. Midway through the quarter, an abrupt end to U.S. support for Ukraine's defense caught markets by surprise – suggesting a new era of U.S. isolationism. This shock wave galvanized European unity as well, as long-term resistance to fiscal expansion withered. The result was a historic commitment to defense and infrastructure spending, which elevated European growth expectations and launched related European equities higher. As the quarter progressed, hopes that U.S. domestic immigration and tax reform priorities would dominate the agenda began to fade, as foreign policy isolationism and economic nationalism/protectionism moved to center stage in the eyes of global investors. Protectionist rhetoric that had been rationalized as negotiating leverage exerted by a transactional president increasingly became viewed as perhaps a means to an end, with the likely economic impact being higher inflation and lower growth than expected, at least in the near term. Early in the second quarter, the jury is still out on whether the Trump administration pivots back to a more transactional posture, but at the time of this writing, concerns are growing that the U.S. is signaling an exit from the established rules-based global trade and security compact that has remained in place since the aftermath of World War II. Such a development, if entrenched, would in our view represent another step in the direction of geopolitical priorities superseding economic optimization. While we anticipate this would likely entail a rise in equity risk premium, particularly in the U.S. (to some extent already being priced in), we also believe it could act as the prevailing catalyst to usher in an extended phase of U.S. dollar weakness and ex-U.S. equity outperformance.

MICHAEL KASS

PORTFOLIO MANAGER

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

Table I.
Performance
Annualized for periods ended March 31, 2025

	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]	0.65%	0.71%	5.23%	1.46%
One Year	3.45%	3.69%	6.09%	0.94%
Three Years	(1.48)%	(1.24)%	4.48%	1.29%
Five Years	8.26%	8.53%	10.92%	8.31%
Ten Years	5.36%	5.63%	4.98%	5.05%
Fifteen Years	6.04%	6.31%	4.92%	5.32%
Since Inception (December 31, 2008)	8.29%	8.56%	6.90%	7.30%

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 April 26, 2024 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 U.S.) 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 DM countries (excluding the U.S.) and 24 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 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.

In the first quarter of 2025, we underperformed the Benchmark, while just modestly trailing our all-cap international growth Proxy Benchmark. From a sector or theme perspective, poor stock selection effect in the Industrials sector, attributable to holdings across various themes (**InPost S.A.**, **Recruit Holdings Co., Ltd.**, **HD Korea Shipbuilding & Offshore Engineering Co., Ltd.**, and **SMS Co., Ltd.**), was the largest detractor to relative performance during the quarter. Adverse stock selection effect in the Consumer Discretionary sector, owing to select investments in our digitization (**eDreams ODIGEO SA**) and EM consumer (**Trent Limited**) themes, also stood out as a key drag on relative performance. Our overweight positioning together with weak stock selection in the Information Technology sector also weighed on relative results during the period. Lastly, disappointing stock selection effect in Energy, attributable to poor performance from **Waga Energy SA** (sustainability/ESG), was another material headwind. Partially offsetting the above was favorable stock selection effect in the Communication Services sector, driven by a couple positions in our digitization theme (**LY Corporation** and **Tencent Music Entertainment Group**). While our performance in the recent quarter was uninspiring, we are pleased with the Fund's solid relative performance over the past year, especially when compared to the growth-oriented Proxy Benchmark and peers.

From a country perspective, poor stock selection effect in Spain, Poland, India, Korea, and France, primarily attributable to the above-mentioned growth-oriented investments, drove the majority of relative underperformance. Partially offsetting the above was our overweight positioning together with good stock selection in China, along with favorable stock selection effect in Canada, the U.K., and Ireland. We are encouraged by the performance of our China related holdings, which rallied through the quarter as early signs of economic stabilization, especially in the property sector, together with technological innovation in AI via a groundbreaking development at "DeepSeek," are improving the forward-looking earnings outlook while also triggering a long-awaited equity multiple rerating. That said, we remain somewhat cautious given uncertainties regarding global trade and tariff hikes as proposed by the Trump administration and are gauging the anticipated impact to our Chinese investments, and more broadly across the portfolio. We remain excited about our positions in India, where equities have been correcting for the past two quarters, and believe this jurisdiction is on the cusp of an earnings recovery driven by a rebound in government infrastructure spending as well as a recently announced tax cut for the middle class that should support domestic consumption.

Table II.
Top contributors to performance for the quarter ended March 31, 2025

	Contribution to Return (%)
BNP Paribas S.A.	0.56
Alibaba Group Holding Limited	0.47
Agnico Eagle Mines Limited	0.43
Kingdee International Software Group Company Limited	0.36
Bank of Ireland Group plc	0.36

BNP Paribas S.A. is a France-based global bank. Shares appreciated alongside the broader index of European banks as a result of a newly positive outlook for the region's growth and interest rates. The Trump administration's approach to the Ukraine-Russia conflict and its critical stance toward NATO have spurred the EU to boost defense spending. The resulting increase in fiscal expenditures has put upward pressure on short and long-term EU rates, which is a positive for bank revenue. We believe we will see further EU integration and increased pressure to complete the long-awaited Capital Markets Union (CMU) given the growing need for more efficient capital markets to support funding for these defense and infrastructure projects. BNP Paribas is well placed to capture the benefits of the CMU thanks to its full-fledged pan-European financial services franchise, strong capital markets capabilities, and strong franchise in the defense industry.

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, as the company announced investment and progress in generative AI, and core domestic commerce growth accelerated. Alibaba is ramping its capital expenditures over the next three years to build out its cloud infrastructure layer and add AI capabilities to existing apps (e.g., consumer search). Within its commerce business, the core market is showing positive signs of stabilization, and improved profitability should follow. We retain conviction that Alibaba is well positioned to benefit from China's ongoing growth in e-commerce and cloud, although competitive concerns remain.

Agnico Eagle Mines Limited is a senior Canadian gold mining company with operations in Canada, Australia, Mexico, and Finland. Shares contributed on the back of an approximate 20% increase in gold prices as a result of economic uncertainty and U.S. dollar weakness related to Trump's tariff policies. Agnico Eagle has a leading position in some of the world's best gold mining jurisdictions from both a political and geological perspective. We also like the upside potential of its Canadian portfolio and its track record of value creation via capital allocation and technical mining expertise. We are positive on gold prices and expect improvement in Agnico Eagle's cash costs.

Table III.
Top detractors from performance for the quarter ended March 31, 2025

	Contribution to Return (%)
Waga Energy SA	-0.50
Trent Limited	-0.46
Kaynes Technology India Limited	-0.45
Wix.com Ltd.	-0.43
Taiwan Semiconductor Manufacturing Company Limited	-0.42

Waga Energy SA offers innovative technological solutions to reduce methane emissions by converting landfill gas into cost-competitive and grid-compliant renewable natural gas (RNG), a substitute for fossil natural gas. The Trump administration's hostility toward renewable energy pressured shares, as Waga has significant exposure to renewable gas projects in the U.S. We remain investors. Waga's patented proprietary technology, WAGABOX®, which can capture RNG from almost any landfill, is a major competitive advantage. Industry experts forecast a 36% average annual increase in the consumption of RNG in the EU by 2030 based on stated government policies there. The company has 28 installed WAGABOXes and contracts for 11 more, for combined fixed-price sales of 100 million EUR annually. In addition, it has a pipeline of projects for 165 more sites.

Trent Limited is a leading retailer in India that sells private label apparel direct-to-consumer through its proprietary network. Shares were down this quarter on lower-than-expected quarterly sales due to soft consumer spending in India combined with some store upgrades and consolidations. We remain shareholders, as 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 operating leverage and a growing franchisee mix will lead to better profitability and return on capital, driving more than 30% EBITDA CAGR over the next three to five years.

Kaynes Technology India Limited is a leading electronics manufacturing service player in India, offering services across the automotive, industrial, railway, medical, and aerospace and defense industries. Shares were down this quarter due to lower-than-expected quarterly sales, as execution on a subset of industrial-related orders was temporarily delayed. We retain conviction in Kaynes Technology, as we believe it is well positioned to benefit from the government's Make in India initiative, which encourages domestic manufacturing of electronic components by providing attractive tax subsidies and manufacturing infrastructure. We are excited about the company's decision to set up an Outsourced Semiconductor Assembly and Test facility, which we believe represents significant incremental growth opportunity in the medium term. We expect the company to deliver over 30% compounded EBITDA growth over the next three to five years.

Portfolio Structure

Table IV.
Top 10 holdings as of March 31, 2025 – Developed Countries

	Percent of Net Assets (%)
Linde plc	3.3
argenx SE	3.1
Constellation Software Inc.	2.9
BNP Paribas S.A.	2.6
Arch Capital Group Ltd.	2.6
eDreams ODIGEO SA	2.5
Experian plc	2.1
Sumitomo Mitsui Financial Group, Inc.	1.9
AstraZeneca PLC	1.9
Symrise AG	1.8

Table V.
Top five holdings as of March 31, 2025 – Emerging Countries

	Percent of Net Assets (%)
Taiwan Semiconductor Manufacturing Company Limited	3.0
InPost S.A.	1.9
Full Truck Alliance Co. Ltd.	1.8
HD Korea Shipbuilding & Offshore Engineering Co., Ltd.	1.7
Alibaba Group Holding Limited	1.5

Table VI.
Percentage of securities in Developed Markets as of March 31, 2025

	Percent of Net Assets (%)
Japan	10.3
United Kingdom	8.5
Netherlands	7.9
France	7.8
Canada	5.1
Israel	4.9
United States	4.1
Spain	3.9
Germany	3.4
Switzerland	2.2
Sweden	2.0
Ireland	1.7
Australia	1.7
Italy	0.8
Denmark	0.8
Hong Kong	0.5

Table VII.
Percentage of securities in Emerging Markets as of March 31, 2025

	Percent of Net Assets (%)
China	11.3
India	7.9
Korea	5.4
Taiwan	3.3
Poland	2.9
Peru	1.1
Brazil	1.0
Greece	0.5

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 first quarter of 2025, the Fund's median market cap was $21.9 billion. We were invested 72.2% in large- and giant-cap companies, 20.4% in mid-cap companies, and 6.6% in small- and micro-cap companies, as defined by Morningstar, with the remainder in cash.

Recent Activity

During the first 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 increased exposure to our EU mutualization theme by initiating investments in **Deutsche Bank AG** and **Piraeus Financial Holdings S.A.** The Trump administration's approach to the Ukraine-Russia conflict and its critical stance toward NATO has spurred the European Union (EU), led by a major u-turn in Germany, to boost defense and infrastructure spending via fiscal expansion, representing a major change in EU policy. This strategic investment push is reshaping the economic outlook across the Eurozone, potentially stimulating domestic demand, lifting potential growth, and reducing the region's dependence on external economic drivers. As markets begin to recalibrate expectations for growth, it is likely that we are emerging from the era of ultra-low rates in the EU region. This coordinated fiscal response could also act as a catalyst for deeper EU unity and mutualization as member states increasingly align common policy goals and shared investment priorities. For the banking sector, this shift presents a constructive backdrop: stronger economic activity tends to support loan demand, while a higher-for-longer rate environment enhances net interest income and return on capital. Finally, a drive towards greater mutualization suggests a likely phase of cross-border consolidation, which has indeed begun to play out and which we view as quite positive. As Germany's largest lender with deep roots in corporate and investment banking, Deutsche Bank is well positioned to capture lending and advisory opportunities tied to government-led infrastructure and defense projects. Piraeus Financial provides commercial and retail banking services in Greece. The bank presents an attractive investment underpinned by solid bottom-up fundamentals, growing fee income potential from its expanding asset management and insurance businesses, and a compelling valuation that continues to trade at a discount to peers despite improving profitability and capital strength, all further supported by the above-mentioned increase in rates throughout the Eurozone.

As part of our sustainability/ESG theme, we established a position in **BYD Company Limited**, China's largest electric vehicle (EV) manufacturer with approximately 35% domestic market share. In our view, the company is competitively advantaged due to vertical integration, including in-house battery production, and a best-in-class cost structure owing to economies of scale. China is leading the EV revolution with penetration levels exceeding 50%, which is well ahead of the rest of the world. We believe BYD has been a key enabler of EV adoption by making it affordable for consumers to switch from gasoline engines to electric power vehicles. Going forward, the company should continue to benefit from structural growth opportunities within China, with growing dominance in overseas markets as an additional vector for earnings growth. We expect BYD to gain share abroad, particularly among price sensitive EM customers with the buildout of efficient and low-cost manufacturing plants. The introduction of new autonomous driving features to its mid-range and low-end mass market vehicles will further improve BYD's leadership position. We believe earnings should double over the next three years with scope for attractive shareholder returns going forward.

During the quarter, we also initiated a position in **On Holding AG**, a premium sportswear brand specializing in footwear and one of the fastest-growing scaled athletic wear companies in the world. Founded in Switzerland in 2010, the company has an established global presence and continues to gain market share in the athletic footwear category. We believe On is still early in its lifecycle as it expands its product line and distribution network. The company benefits from strong brand loyalty, its commitment to sustainability, a focus on innovation, and a highly complementary multi-channel distribution strategy. On sells its products through approximately 10,000 premium retail stores, which account for 65% of revenue. The balance is attributed to On's direct-to-consumer channel, encompassing its own branded and operated stores, as well as its website. The company is rapidly growing its retail store base while also expanding its apparel sales. Roughly half of its revenue is generated in North America, 45% in Europe, and 5% in Asia Pacific. On, in our opinion, has a large opportunity to take market share in newer-entry shoe categories, such as tennis, training, and outdoor. The company also has a significant opportunity to grow its offerings in the apparel category. We believe the company is well positioned to sustain over 20% compound earnings growth over the next three to five years while reinvesting profits back into its business at high rates of return.

Lastly, we increased our exposure to several existing positions during the quarter, including **Lundin Mining Corporation**, **BNP Paribas S.A.**, **WiseTech Global Limited**, **Lynas Rare Earths Limited**, **Alibaba Group Holding Limited**, and **Novo Nordisk A/S**. We exited several positions during the quarter consistent with our efforts to seek greater concentration in our higher conviction investments. Disposals included **Fuyao Glass Industry Group Co., Ltd.**, **JD.com, Inc.**, **Nu Holdings Ltd.**, **Suzano S.A.**, and **Genmab A/S**.

Outlook

April 2, 2025 was deemed "Liberation Day" by U.S. President Donald Trump, though it may represent liberation only from free trade and economic optimization. The U.S. initiated a trade war against the rest of the world (ROW), while, when viewed in conjunction with recent foreign policy moves, may perhaps more significantly be signaling America's withdrawal from the longstanding global trade and security compact that it inspired in the aftermath of World War II, having ascended to unilateral hegemon after the fall of the Iron Curtain in November 1989. We believe the market reaction to "Liberation Day" is reasonable given the uncertainties, and suggests that contrary to the spin, the U.S. was actually the disproportionate beneficiary of this global trade and security equilibrium. It is of course possible that a negotiated course-correct plays out which we would view as positive for investors, but as we alluded in our prior letter, the emperor of U.S. exceptionalism appears to have little clothing right now. On the other hand, should the paradigm of economic nationalism and foreign policy isolationism gain momentum and take hold for good, we believe such a new world order would initially elevate equity risk premium, and it could take considerable time to establish a new equilibrium. The silver lining for those reading this letter: if such a paradigm shift were to take place, we would anticipate outperformance of non-dollar assets as likely. The unprecedented recent weakness of the U.S. dollar in the face of rising recession odds in our view suggests rising likelihood of a paradigm shift and better times ahead for the relative returns of non-U.S. equities. U.S. economic nationalism, isolationism, and a willingness to declare economic war on the ROW, whether for real or just as negotiating leverage, is proving a unifying event for Europe as well as for ROW consumers and corporates, and in our view, a wake-up call for global investors currently underweight non-U.S. assets.

What's at stake in this potential U.S. withdrawal? The U.S. is currently on course to cede its role as white knight hegemon, a role that has worked out pretty well for America in the post-World War II era, despite the blemishes and costs. Certainly U.S. manufacturers and the related working class have been adversely impacted, but to us this is likely more due to the relatively high cost of U.S. labor, land, and environmental regulations when compared to countries with far lesser per capita income, than to foreigners "ripping us off." While foreign trade barriers can and should be lowered, the U.S. is by far the wealthiest nation in the world, and with a consumer-led economy, it should naturally have a current account deficit. The U.S. has failed over decades to establish policies and programs to adequately retrain workers that have been disadvantaged by the "middle-income trap" afflicting low value-added manufacturing, but we believe historic levels of tariffs are unlikely to represent a silver bullet. The administration on the surface seeks not only to shrink or eliminate the current account deficit but to also abruptly diminish or even reverse 40 years of globalization, economic optimization, and capital efficiency. In our opinion, success would likely come at least partially at the expense of corporate profit margins and U.S. consumers' real income. Forcing the private sector to reshore low value-added manufacturing plants may or may not improve manufacturing wages (we suspect it may also speed the development of automation, AI, and humanoid robots, etc.), but we do not believe it will be beneficial to corporate profit margins.

International and emerging market (EM) equities trade at a discount to the U.S. for several reasons. Europe, a long-time beneficiary of the U.S./NATO security umbrella, has underwritten a bloated welfare state in lieu of defense spending and/or incremental economic growth. Germany, in particular, has remained fiscally disciplined with a relatively low debt to GDP ratio, while demanding curbs to the fiscal spending and debt accumulation of other EU nations in the common currency bloc. These factors partially explain European GDP growth historically lagging the U.S., though this may now be changing, catalyzed by the U.S. policy pivot. Further, many EM countries function at least in part as patronage systems with a weak or unpredictable rule of law. In such systems, political affiliation or favor, rather than free market competitive advantage, often divide the spoils, leading to heightened volatility and a lack of duration, reflected in lower equity multiples. It is far premature to declare the U.S. economy as such a system, but this appears the direction of travel, in our view unsettling the tectonic plates of relative earnings growth, risk premium and valuation on U.S. versus non-U.S. assets. Patronage and national service usurp the private sector's freedom to allocate capital to its most efficient use, while also often capping corporate profitability and/or investor confidence in longer-term earnings growth. In our view, this, rather than near-term economic/earnings momentum, is the greater risk of a paradigm shift in the global trade equilibrium.

As the issuer of the world's reserve currency, the U.S. has benefitted for decades as the safe haven in a storm; a rising currency in turbulent times affords the Federal Reserve incremental cushion to ease monetary policy to combat financial or economic stress – particularly relative to foreign central banks that must contend with weaker currencies and by association more challenging inflation risks. Further, the world's reserve currency, particularly during the global hegemon phase of the past 35 years, accrues a material funding cost advantage as it ensures stable demand for sovereign bonds and, by definition, a dominant liquidity advantage. The mirror image of a large current account deficit is a massive capital/financial account surplus, which in our view has been a key contributor to perceived U.S. exceptionalism when measured by demand for U.S. assets and relative valuation. Thus, a significant reduction in the U.S. current account deficit would also diminish foreign demand for U.S. financial assets and erode the global liquidity, funding cost advantage, and safe haven status endemic to the world's reserve currency. The extraordinary U.S. tariff regime as proposed represents a short-term inflation and growth shock to the U.S., while outside the U.S., it represents a *deflationary* impulse as well as a growth shock, this time affording foreign central banks greater room to maneuver. A goal of onshoring manufacturing at a high marginal cost, while encouraging the ROW to coalesce in protest of U.S. protectionism via new trade pacts and boycotts, would likely reprogram global capital flows and further erode the net benefits that have accrued to the U.S. over the 30-plus year period of expanding global trade. Further, roughly 40% of S&P 500 Index revenues are generated in foreign countries – certainly some portion of this is at risk, which in our view again would shift the forward-looking relative earnings growth dynamic in the direction of non-U.S., as U.S. goods and services are increasingly replaced by alternative sources.

With regard to the Fund, we highlight our significant weightings in both Europe and India, two jurisdictions that we anticipate can deliver solid earnings in an uncertain environment. We outlined the change in Europe's fiscal expansion and growth potential above, while India remains to us the most attractive jurisdiction in terms of sustainable growth and productivity benefits. Having absorbed a fairly steep correction in our India holdings in the fourth quarter of 2024 and through much of the recent quarter, Indian equities began to recover and outperform just as global equities and volatility started sending warning signals in early March. In our view, India is a big "*relative winner*" as the country is one of the least impacted from a trade war, given that it is primarily a domestic consumer driven economy with a low share of global trade. With goods exported to the U.S. accounting for only 2% of India's GDP, the impact of announced tariffs will only modesty impact it's world-leading real GDP growth rate of roughly 6%. Further, we anticipate the final impact could be far less, as the U.S. and India are currently in active discussions to sign a Bilateral Trade Agreement with a lofty goal to more than double trade to $500 billion by 2030. More generally, and across the Fund, from a bottom-up perspective we have always emphasized quality domestic growth companies rather than global-facing and export driven businesses, which should further temper our direct exposure to earnings disruption related to rising trade protectionism.

Current U.S. economic and trade policy is turning economic orthodoxy on its head. While the U.S dishonors this orthodoxy, capital is migrating offshore. It appears that the U.S. may no longer be the protector of global security and democracy, free trade, and free markets; rather, it recently appears a principal source of disruption with an agenda to unwind decades of disinflation and capital efficiency. While we look for signs that the U.S. Congress can begin to reclaim its mandate over U.S. trade and tariff policy and slow the protectionist momentum, we suggest that to some extent, and in the eyes of our traditional trading and geopolitical allies, the genie is out of the bottle, and the catalyst we have been waiting for is finally now in view. Our suggestion in our previous letter, that the horse of U.S. exceptionalism has left the barn, and that looking forward from here there is likely more upside than downside in ex-U.S. equity relative performance, now appears prescient. We believe it is time to rebalance in favor of non-U.S. assets. We continue to anticipate a volatile year that we suspect will offer attractive opportunities for long-term investors.

Thank you for investing in 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.

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Dear Baron Real Estate Fund Shareholder:

Performance

In the first quarter of 2025, numerous stocks were sold, in some cases indiscriminately without regard to value, largely because of concerns about a slowdown in economic growth, still somewhat elevated inflation, and policymaking that is keeping businesses and consumers off balance. Baron Real Estate Fund® (the Fund) was not immune.

Table I.
Performance
Annualized for periods ended March 31, 2025

	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]	(6.76)%	(6.69)%	(3.11)%	0.76%	(4.27)%
One Year	(3.36)%	(3.09)%	2.45%	8.98%	8.25%
Three Years	1.44%	1.71%	4.79%	(1.77)%	9.06%
Five Years	15.72%	16.02%	15.39%	10.04%	18.59%
Ten Years	8.11%	8.40%	7.73%	4.01%	12.50%
Fifteen Years	12.35%	12.64%	10.31%	7.41%	13.15%
Since Inception (12/31/2009) (Annualized)	12.64%	12.92%	10.76%	7.94%	13.31%
Since Inception (12/31/2009) (Cumulative)[3]	514.02%	538.31%	374.88%	220.83%	572.66%

The Fund's non-REIT cyclically oriented real estate-related holdings – travel-related companies, homebuilders, building products/services companies, and real asset alternative asset managers – in addition to select REIT categories (data centers, office, and malls) weighed on performance during this period. For the three months ended March 31, 2025, the Fund declined 6.69% (Institutional Shares), underperforming the MSCI USA IMI Extended Real Estate Index (the MSCI Real Estate Index), which fell 3.11%, and the MSCI US REIT Index (the REIT Index), which increased 0.76%.

JEFFREY KOLITCH
PORTFOLIO MANAGER

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

So where does that leave us now?

We are cognizant that the economic outlook may deteriorate further in the months ahead, which could result in slower growth, higher inflation, and lower valuation multiples. Our real estate team remains razor focused on monitoring company-level developments and speaking to and meeting with management teams.

We remain steadfast in our view that:

1. Investors should have exposure to public real estate.
2. Valuations are attractive.
3. Baron Real Estate Fund is a compelling real estate option for those seeking exposure to real estate.

For our more complete thoughts on "1" and "2", please see the following sections later in this letter: "Our current top-of-mind thoughts" and "Examples of best-in-class real estate companies that are attractively

Performance listed in the above table is net of annual operating expenses. Annual expense ratio for the Retail Shares and Institutional Shares as of April 26, 2024 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. 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.

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valued.” For “3”, we elaborate on the investment case for the Fund in the last section of this letter – “Concluding thoughts on the prospects for real estate and the Fund.”

Despite the challenging first quarter, Baron Real Estate Fund has maintained its strong long-term performance, and we are optimistic we will turn things around as we have done in the past.

As of March 31, 2025, according to Morningstar, the Fund has received special recognition for its achievements as follows:

- **#1 real estate fund ranking for each of its 15-, 10-, and 5-year performance periods**
- **Highest 5-Star Morningstar Rating for each of its 10-, 5-, and 3-year performance periods**
- **Highest 5-Star Overall Morningstar Rating™**

We will address the following topics in this letter:

- Our current top-of-mind thoughts
- Examples of best-in-class real estate companies that are attractively valued
- 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

OUR BOTTOM-LINE VIEW:

Though we are mindful of the reasons to be cautious, we believe return expectations for real estate and the Fund have become attractive. The sharp correction in several REIT and non-REIT real estate companies in the first quarter of 2025 (and early in April) have presented several highly compelling investment opportunities.

We remain convinced that investors should have exposure to public real estate.

The foundation for our constructive real estate outlook is based on the following considerations:

1. **Real estate should benefit from the eventual resumption of cyclical tailwinds of economic growth.**

Though the sequencing of the new administration’s policies is likely to dampen near-term economic growth (e.g., the implementation of higher tariffs, less immigration, and less fiscal support before the goal of introducing lower taxes, less regulation, lower fiscal deficits, and perhaps lower interest rates), we believe the cyclical tailwinds of economic growth will re-emerge.

As economic growth reaccelerates, we believe the Fund’s portfolio of well-located real estate in supply constrained markets – multi-family, single-family homes for rent and sale, industrial warehouses, senior housing facilities, hotels, offices, malls, and data centers – will benefit as demand, occupancy, rents, cash flow, and real estate values increase.

2. **Real estate is benefiting from secular tailwinds that should be enduring for years to come.**

- *Multi-family, single-family rental homes, and manufactured homes:* Affordability advantages versus the for-sale housing market
- *Industrial real estate:* The move to e-commerce and supply chain logistics
- *Senior housing facilities:* Aging baby boomers and the 80-plus population which are among the fastest growing aging groups
- *Hotels:* The increase in spending on travel as a percentage of wallet share
- *Data centers:* Rising data consumption, cloud computing, IT outsourcing, and AI

As of 3/31/2025, the Morningstar Real Estate Category consisted of 221, 213, 196, 148, 110, and 157 share classes for the 1-, 3-, 5-, 10-, 15-year, and since inception (12/31/2009) periods. Morningstar ranked Baron Real Estate Fund Institutional Share Class in the 98th, 4th, 1st, 1st, 1st, and 1st percentiles, respectively. On an absolute basis, Morningstar ranked Baron Real Estate Fund Institutional Share Class as the 215th, 7th, 1st, 1st, 1st, and 1st best performing share class in its Category, for the 1-, 3-, 5-, 10-, 15-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, 5 stars for the trailing 3 years, 5 stars for the trailing 5 years, and 5 stars for the trailing 10 years ended 3/31/2025. There were 213 share classes, 196 share classes, and 148 share classes for 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.

- *New home sales:* The multi-decade structural underinvestment in the construction of residential real estate and other secular tailwinds including 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
- *Commercial real estate services companies:* The outsourcing and institutionalization of commercial real estate, and opportunities to increase market share in a highly fragmented industry structure

3. Investor sentiment is extremely poor.

Investor sentiment appears to have swung from overly optimistic at the beginning of 2025 to overly pessimistic today. In fact, short positioning in the broader equity markets is as high as it has been in years – larger than during COVID and larger than 2022 when the Federal Reserve (the Fed) embarked on an aggressive rate hike cycle. In the cycle of stock market emotions, we believe that the best time to buy stocks to help generate maximum returns occurs when sentiment is poor, although we cannot guarantee this will be the case.

4. Additional reasons to be optimistic.

- Demand conditions are mostly favorable against a backdrop of muted new real estate supply.
- Balance sheets are generally in solid shape.
- Debt capital is widely available.
- Substantial capital (private equity, sovereign wealth funds, pension funds, endowments, and others) is in pursuit of real estate ownership and may step in and capitalize on the opportunity to buy quality real estate at depressed prices. This "embedded put" should limit downside valuation and pricing.
- Much of public real estate has been re-priced for a higher cost of capital.
- There is the possibility that the Fed may lower interest rates in 2025 should economic growth deteriorate, unemployment increase, and/or inflation moderate. *Goldman Sachs* is now forecasting three consecutive interest rate cuts, beginning in July with the potential increase in the unemployment rate as the key justification for the rate cuts.

5. Valuations are reasonable (and, in some cases, cheap).

We believe the valuations of numerous REITs and non-REIT real estate-related companies are cheap relative to their historical valuations and future growth prospects. Please see "Examples of best-in-class real estate companies that are attractively valued" below.

6. The long-term case for real estate remains firmly in place.

Well-located and competitively advantaged real estate tends to offer partial inflation protection characteristics, diversification benefits versus equities and bonds, and strong long-term returns.

Examples of Best-in-Class Real Estate Companies That Are Attractively Valued

The Fund is chock full of best-in-class real estate companies that are *on sale* relative to history and relative to private real estate alternatives (even when factoring in the possibility of slower growth in 2025 and lower valuation multiples) and offer prospects for strong returns in the years ahead.

In our judgment, characteristics of a "best-in-class" real estate company are:

- Owns unique and well-located real estate assets in markets with high barriers to entry combined with attractive long-term demand demographics
- Enjoys strong long-term growth prospects together with a leading competitive position
- Maintains a conservative and liquid balance sheet
- Employs an intelligent and motivated management team that is an excellent allocator of capital and has interests aligned with shareholders

Examples of the Fund's best-in-class real estate companies that are attractively valued include:

REITs

Equinix, Inc. is the premier global carrier and cloud-neutral data center operator with 270 data centers in 74 metropolitan areas and 35 countries.

Equinix is currently valued at only 20 times 2025 estimated cash flow versus private market data center transactions that have occurred at 25 to 30 times cash flow. The shares are valued at a small premium to REITs, despite superior and more durable cash flow growth prospects.

American Tower Corporation is the leading global mobile tower operator with 150,000 sites globally, with demand underpinned by the increasing secular growth in mobile data.

American Tower currently trades at 20 times cash flow for high single-digit underlying growth, which is a 3 multiple point discount versus history and 1.5 multiple point discount to REITs broadly (which are growing mid-single digit and trading at 21.5 times cash flow) for more durable and secular growth.

Equity Residential is one of the largest U.S. apartment REITs with 80,000 high-quality apartment units concentrated in coastal markets with strong barriers to entry, compelling resident income/demographics, and high-cost home ownership. The company maintains a strong and liquid balance sheet.

It is valued at a 6.1% implied capitalization rate representing a discount to private market transactions in the high 4% to 5% capitalization range. At its public market implied valuation of only $410,000 per apartment, the shares are valued at an approximate 20% discount to private market values and a much larger discount to replacement cost.

American Homes 4 Rent is the second largest single-family home rental company with a portfolio of 60,000 single-family homes available for rent located across a diverse set of more than 30 markets with attractive renter demographics via above average incomes and employment growth.

It is valued at an implied capitalization rate of 5.9% versus private market transactions in the 5% range. The public market implied valuation of its owned homes is only $315,000 per home versus the average cost of an existing single-family home in the U.S. of approximately $410,000.

Vornado Realty Trust owns a portfolio of premier office and street retail properties largely concentrated in New York City.

The company's implied cap rate for its New York City office portfolio is approximately 10.5% and only $500 per square foot. The company's real estate portfolio is being valued at a meaningful discount to private market transactions at capitalization rates in the 5% to 6% range and replacement cost well more than $1,000 per square foot.

The Macerich Company is a REIT that owns a portfolio of exceptionally high-quality malls in the U.S. Under a new management team, the company is undergoing a business transformation to improve portfolio quality, growth potential, and balance sheet health, which we believe will ultimately translate into an improved valuation multiple for the company.

It is valued at less than 10 times forward earnings (Funds from Operations or FFO), on depressed earnings, which is a discount to its historical norm of 15 to 17 times FFO.

Residential-Related Real Estate Companies

Toll Brothers, Inc. is a leading luxury homebuilder in the U.S. with an exceptional management team and a large, valuable owned land real estate portfolio. Toll Brothers is more insulated than its peers from elevated mortgage rates because approximately 25% of Toll Brothers home buyers pay 100% in cash.

The company is valued at only 1.1 times 2025 estimated tangible book value and a P/E multiple of less than 7 times earnings per share. In the past, Toll Brothers' shares have appreciated to a peak multiple of 2.0 times tangible book value which would represent over 50% upside. We believe a multiple of 1.8 to 2.0 times tangible book value will ultimately be warranted based on the company's aspirations to generate a consistent return on equity in a range of high teens up to 20% or more.

Taylor Morrison Home Corporation is one of the nation's leading homebuilders, with a diversified business mix across buyer type and price points. Management aspires to increase the size of the business by over 50% over the next three to four years.

It is valued at only 1.0 times tangible book value and a P/E multiple of less than 7 times earnings per share. We believe the valuation of Taylor Morrison may reach 1.5 to 1.7 times tangible book value, which would represent 50% to 75% upside over time. We believe a multiple of 1.5 to 1.7 times tangible book value will ultimately be warranted based on the company's aspirations to generate consistent return on equity in the high teens.

Louisiana-Pacific Corporation is a rapidly growing U.S. building products company that manufactures engineered wood siding and other wood products. The company benefits from leadership positions, secular material conversion, a rich product innovation pipeline, a strong balance sheet, and an excellent management team.

The company is currently valued at only 8.5 times estimated 2026 cash flow versus a multiple of 12 to 13 times that we believe is warranted relative to its publicly traded peers. A 12 to 13 times multiple would represent more than 35% upside from present levels.

CRH public limited company is the largest building materials company in both North America and Europe and supplies products for construction and infrastructure projects such as roads, highways, bridges, and commercial and residential buildings. Its products include materials such as aggregates, cement, asphalt, and concrete, as well as critical utility infrastructure and outdoor living solutions.

CRH is currently trading at 8.7 times 2025 estimated cash flow, while vertically integrated construction materials peers, who are not as big as CRH and do not have the same track record of consistent performance, have traded as high as 13 times cash flow. Aggregates focused peers with similar construction project exposure trade at approximately 16 times cash flow.

Travel-Related Real Estate Companies

Wynn Resorts, Limited is the preeminent luxury global owner and operator of integrated resorts (hotels and casino resorts). We are bullish on the prospects for the company's development of the Wynn Al Marjan Island in the UAE (expected to open early in 2027). We believe the UAE is the most exciting new market for integrated resort developments in decades.

At its recent price of only $70 per share, the shares are valued at only 7.2 times 2025 estimated cash flow versus a long-term average multiple of 13 to 15 times cash flow. We believe Wynn is trading at an unrealistic discounted multiple with very little value being ascribed to Wynn's Macau operating assets and its UAE development project. Wynn's management agrees as they have been buying back shares as has Tilman Fertitta, a highly successful hotel, casino, and entertainment executive, who has acquired more than $1 billion of Wynn shares and is now the largest shareholder of Wynn with a 12% stake in the company.

Las Vegas Sands Corporation is a global leader in the development and operation of luxury casino resorts in Macau and Singapore.

At its recent share price of only $33 per share, the company's shares are valued at only 7.5 times 2025 estimated cash flow (EBITDA), versus a long-term average of 14 to 15 times cash flow.

Real Asset-Focused Alternative Asset Managers

Brookfield Corporation is a leading global owner and operator of real assets such as real estate and infrastructure. We believe the company's global reach, capital, and the synergies among its businesses provide significant opportunities for growth.

At its recent price of only $46 per share, we believe the shares are unsustainably cheap. Brookfield's management team, who in our opinion is credible and conservative, believes the company is worth $100 per share today and believes the shares will reach $176 in five years.

Commercial Real Estate Services Companies

Jones Lang LaSalle Incorporated is one of the leading commercial real estate services firms in the world with scale, product breadth, and leadership positions across its diversified real estate business segments.

Its P/E multiple of only 10.8 times 2026 estimated earnings compares favorably versus the high teens multiples that we believe are warranted based on historical trading multiples and the improvement in the company's business mix.

Property Technology Companies

CoStar Group, Inc. is the global leader in digitizing real estate.

At its recent price of $72, we believe that shares of CoStar are trading at a 25% to 35% 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.

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 March 31, 2025

		Percent of Net Assets (%)
REITs		32.2
Non-REITs		59.3
Building Products/Services	14.8	
Real Estate Service Companies	13.7	
Real Estate Operating Companies	9.0	
Homebuilders & Land Developers	7.7	
Hotels & Leisure	6.2	
Casinos & Gaming Operators	6.1	
Data Centers	1.8	
Cash and Cash Equivalents		8.5
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. Commercial real estate services companies
5. Real asset-focused alternative asset managers
6. Property technology companies
7. Data center operators

Notable changes to the Fund's real estate category exposures since December 31, 2024

In the first quarter of 2025, though the Fund's allocations to various investment themes changed only modestly since the fourth quarter of 2024, we made a number of changes to the Fund "under the hood" with several company-level changes within some of the investment themes. Examples include:

REITs

- Following strong share price performance in the last few years, we decreased the Fund's large allocation to data center REITs **Equinix, Inc.** and **Digital Realty Trust, Inc.** (and non-REIT data center company **GDS Holdings Limited**) due to elevated valuations and evolving concerns for the data center sector (e.g., Microsoft cancelling select leases, press releases announcing tens of billions of dollars earmarked for new development, lower cost AI models like DeepSeek potentially changing capital investment plans or, most recently, the Chairman of Alibaba raising red flags about speculative data center development globally).
- We reallocated the Fund's data center sale proceeds to REIT categories that have lagged, offer compelling valuations, and present prospects for improving fundamentals. Examples of new additions to the Fund include wireless tower REIT, **American Tower Corporation**, industrial REIT, **Prologis, Inc.**, single-family rental REIT, **American Homes 4 Rent**, and self-storage REIT, **Extra Space Storage Inc.**

Residential-related real estate

- We trimmed the Fund's homebuilder positions in **Lennar Corporation** and **D.R. Horton, Inc.**, and reallocated the shares to **Taylor Morrison Home Corporation**, a homebuilder that we believe will grow faster than its larger peers in the next few years and is more attractively valued.
- We are excited about the additions of two new residential-related building product companies. **CRH public limited company** is the largest building materials company in North America and Europe. We also acquired shares in **Advanced Drainage Systems, Inc.**, the leading manufacturer of plastic pipes and related stormwater management products in the U.S.

Travel-related real estate

- We trimmed the Fund's position in **Expedia Group, Inc.** due to emerging unknown business model risks in a potential agentic AI world. We reallocated the capital to **Wynn Resorts, Limited**, a preeminent luxury global owner and operator of integrated resorts (hotels and casino resorts). We believe Wynn shares are highly discounted relative to the intrinsic value of the company.

Real asset-focused alternative asset managers

- Following strong share price performance in the last two years, and our expectation that fund raising and monetizations through asset sales and IPOs may not accelerate early in 2025 (capital return being a key element of the flywheel for future fundraising), we reduced the Fund's allocation to real asset-focused alternative asset managers from 12.8% to 9.0%. We remain long-term bullish on the Fund's investments in **Brookfield Corporation**, **Brookfield Asset Management Ltd.**, and **Blackstone Inc.**

We maintained an elevated cash and cash equivalents position of 8.5%. We remain optimistic we will be able to redeploy the capital in compelling investment opportunities in 2025.

REITs

We continue to believe REITs can generate double-digit returns in 2025 through a combination of growth, dividends, and some room for valuations to expand for certain REITs.

Though demand remains tempered for some real estate segments, most REITs enjoy occupancies of more than 90%, and there are several segments of real estate where demand remains strong. Limited new competitive supply is forecasted in the next few years. We expect the transaction market to pick up and several publicly traded REITs now have the "green light" to issue equity for accretive external growth. We expect private equity to look for opportunities to acquire discounted public REITs. Most balance sheets are in good shape. Several REITs benefit from some combination of all or some of the following favorable characteristics: inflation-protection, contracted cash flows, and an ability to increase dividends. We have identified several REITs that are cheap relative to history and private market valuations.

As of March 31, 2025, we had investments in 10 REIT categories representing 32.2% of the Fund's net assets. Please see Table III below.

Table III.
REITs as of March 31, 2025

	Percent of Net Assets (%)
Health Care REITs	6.3
Wireless Tower REITs	5.7
Multi-Family REITs	5.2
Data Center REITs	3.7
Office REITs	3.2
Industrial REITs	3.0
Single-Family Rental REITs	2.4
Mall REITs	1.3
Self-Storage REITs	1.2
Other REITs	0.2
Total	**32.2***

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

Residential-related real estate

We remain near-term cautious, yet long-term bullish on the prospects for non-REIT residential-related real estate.

Stuart Miller, Chairman and Co-CEO of Lennar, summarized some of our near-term concerns when he made the following comments on March 20, 2025:

"Our first quarter was marked by a challenging macroeconomic environment for homebuilding. While demand remains strong, persistently higher interest rates and inflation, combined with a downturn in consumer confidence and a limited supply of affordable homes, made it increasingly difficult for consumers to access homeownership."

We have also been concerned that a combination of stagnating home prices, elevated homebuilder incentives to entice buyers to purchase a home, new administration policy decisions around tariffs, immigration, and deportation that may increase the cost for labor and materials would collectively lead to pressure on homebuilder gross margins in 2025.

The shares of several homebuilders and residential-related building product/services companies foreshadowed some of these concerns in the fourth quarter of 2024 and the first quarter of 2025. We continue to monitor developments closely as valuations are becoming more compelling.

Importantly, we maintain our long-term optimism for residential 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. A combination of cyclical and secular tailwinds should aid the new home market for several years. Cyclical tailwinds include pent-up demand, low inventory levels, and a still healthy consumer. Secular tailwinds include 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.

As of March 31, 2025, residential-related real estate companies represented 22.5% of the Fund's net assets. Please see Table IV below.

Table IV.
Residential-related real estate companies as of March 31, 2025

	Percent of Net Assets (%)
Building Products/Services	13.4
Homebuilders	7.1
Home Centers	2.0
Total	**22.5***

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

Travel-related real estate

Though we are cognizant that near-term travel-related business conditions may weaken (perhaps foreshadowed by recent cautionary commentary from the major U.S. airline companies), we believe 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). In addition, private equity's long history of investing in travel-related companies may serve as a catalyst to surface value, which the public market may be overly discounting.

As of March 31, 2025, travel-related real estate companies represented 12.2% of the Fund's net assets. Please see Table V below.

Table V.
Travel-related real estate as of March 31, 2025

	Percent of Net Assets (%)
Hotels & Leisure	6.2
Casinos & Gaming Operators	6.1
Total	**12.2***

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

Commercial real estate services companies

Leading commercial real estate services companies **CBRE Group, Inc.** and **Jones Lang LaSalle Incorporated** (JLL) 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. Looking forward, we believe we are in the early days of a rebound in commercial real estate sales and leasing activity. We believe CBRE and JLL may generate annual earnings per share growth of more than 20% in the next few years.

Real estate-focused alternative asset managers

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

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 positioned to capitalize on this burgeoning secular growth trend.

Data center operators

We believe the shares of data center operator **GDS Holdings Limited** are attractively valued and offer compelling long-term growth prospects. Please see "Top net sales for the quarter ended March 31, 2025" for more on GDS.

As of March 31, 2025, other real estate-related companies (which includes the four investment themes mentioned directly above) represented 24.6% of the Fund's net assets. Please see Table VI below.

Table VI.
Other real estate-related companies as of March 31, 2025

	Percent of Net Assets (%)
Commercial Real Estate Services Companies	10.5
Real Estate-Focused Alternative Asset Managers	9.0
Property Technology Companies	3.2
Data Center Operators	1.8
Total	**24.6***

* *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 March 31, 2025

	Quarter End Market Cap ($ billions)	Contribution to Return (%)
Welltower Inc.	98.3	0.96
American Tower Corporation	101.7	0.51
GDS Holdings Limited	4.9	0.30
CoStar Group, Inc.	33.4	0.26
Millrose Properties, Inc.	4.4	0.19

Shares of **Welltower Inc.** continued to significantly outperform both the REIT and broader equity indices. We believe Welltower offers both "offensive" and "defensive" investment attributes in the current uncertain macroenvironment. Welltower is an operator of senior housing, life science, and medical office real estate properties. Given most of the company's cash flows are derived from senior housing, "defensive" characteristics are underpinned by a "needs based" service offering. Welltower owns senior housing properties in some of the best micro-markets with substantial pricing power given the company serves a higher net worth demographic.

As we have articulated in the past, we remain 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 many years of compelling organic growth. Several of these characteristics were on display in the most recent quarter as Welltower continued to report above industry rent and occupancy growth. We regard management as highly astute capital allocators and able to go on "offense" at the appropriate time, which was further cemented with the recently announced C$4.6 billion acquisition of Amica, an ultra-luxury irreplaceable portfolio in Canada, which was accretive to existing shareholders, acquired well-below replacement cost, and enhanced the overall quality of the portfolio.

Shares of **American Tower Corporation** performed well in the quarter due to accelerating carrier bookings activity and management's solid outlook for underlying 2025 financials. Once the broader market processed the 2025 outlook, which admittedly had several moving pieces, investors concluded that the prospects for the "clean" American Tower post its exit of India and capital allocation prioritization into developed markets would position the company to drive highly predictable and recurring earnings growth with less volatility going forward. We agree – please see our "Top net purchases" section for further thoughts on American Tower.

GDS Holdings Limited was a contributor to performance given improving demand in Mainland China, the company's continued ramp of its now de-consolidated international business (renamed "DayOne") and the monetization of select assets at a premium valuation via a REIT transaction anchored by one of the largest life insurance companies in China.

We remain long-term bullish on the company due to undemanding valuation levels, accelerating growth, progress toward reducing debt and demonstrating imbedded value in its international business via private capital raises backed by highly regarded investors at compelling valuation levels to GDS holders. Notwithstanding, we reduced our position in GDS – please see the "Top net sales" section for an explanation of the rationale for the Fund's sales.

Table VIII.
Top detractors from performance for the quarter ended March 31, 2025

	Quarter End Market Cap ($ billions)	Contribution to Return (%)
Equinix, Inc.	79.4	-0.78
Hyatt Hotels Corporation	11.8	-0.65
Las Vegas Sands Corporation	27.7	-0.59
Blackstone Inc.	171.6	-0.54
Digital Realty Trust, Inc.	49.2	-0.51

Over the last few years, we have relayed our optimism for data centers over a multi-year period given secular growth, favorable supply/demand dynamics, continued pricing power driven by low vacancy – in part due to limitations on available power infrastructure and highly attractive returns on capital.

Our views became more tempered in early 2025 as our multi-year investment thesis was pulled forward over a much shorter time horizon, valuation levels of public data center stocks became stretched on an absolute and relative basis, and we were identifying superior risk/reward opportunities in other sectors/companies where valuation was still depressed, and growth was inflecting. We acknowledge there is a lot of "noise" in the market. Not a week went by in the first quarter of 2025 when we didn't read about evolving concerns for the data center sector broadly – whether it was Microsoft cancelling select leases, press releases announcing tens of billions of dollars earmarked for new development (including the $500 billion Stargate project), lower cost AI models like DeepSeek potentially changing capital investment plans or, most recently, the Chairman of Alibaba raising red flags about speculative data center development globally. While we can debate what is "signal" versus "noise," the cumulative developments certainly did not help investor sentiment on the sector that was trading at a premium valuation. Most importantly, we do not base any of our investment decisions on headlines, but rather a rigorous assessment of business fundamentals (in addition to forming a mosaic of key learnings from our industry contacts), absolute and relative valuation levels, risk/reward skew, and potential alternative investment opportunities. We are never ostriches with our heads in the sand, nor are we sitting ducks ignorant of the forthcoming rifle shot – we will continue to actively manage the portfolio in the best interests of our shareholders as the investment landscape evolves and facts on the ground change.

In the most recent quarter, shares of **Equinix, Inc.**, the premier global operator of network-dense, carrier-neutral data centers, declined following two years of robust absolute and relative performance. Underperformance was driven by discrete earnings headwinds that dampened reported growth, normalization of valuation levels, evolving concerns of customer bookings trajectory given the uncertain macroenvironment and signs of a "pause" in certain customers' underlying new business trends (e.g. bookings for enterprise software companies).

Global data center REIT **Digital Realty Trust, Inc.**, also detracted from performance in the quarter due to normalization of valuation from outsized absolute and relative levels, lower new bookings from an elevated high water mark achieved in 2024, and a more tempered outlook for the continued need of outsized capital investment spend from the global cloud providers on the back of the AI wave (i.e., digestion period). In addition, Microsoft, a top customer of Digital Realty's at over 10% of annualized rent, was rumored to be incrementally cancelling certain leases it had signed globally. While this was not specific to Digital Realty given the company's iron-clad lease agreements and likely included Microsoft specific considerations (e.g. capacity for Azure cloud versus incremental capacity earmarked for OpenAI), this development surfaced questions about the level of future incremental demand.

The shares of **Hyatt Hotels Corporation**, a global hospitality company that focused on serving high-end travelers, declined in the first quarter due to slower than expected growth in 2025 combined with the company's sizable acquisition of Playa Hotels & Resorts, which stipulated a plan to sell more than $2 billion of real estate assets in order to shift its earnings mix back to "asset light." Both the elongated timeline and scale of asset sales in a market without a deep institutional capital pool was met with investor skepticism. We, however, were encouraged that the company had already engaged into an exclusive agreement with one party for the portfolio in total and had also recently engaged other parties, many of whom were bidders in the Playa transaction process and knew the assets well.

We believe the company should still grow revenue at a high single-digit rate this year with mid-single-digit growth in units and low single-digit growth in Revenue Per Available Room leading to double-digit EBITDA growth. The company generates strong cash flow and maintains a solid balance sheet.

Hyatt's plan to acquire Playa should be accretive to earnings, especially as management sells all of its underlying real estate while maintaining the long-term management and franchise contracts. Importantly, Hyatt retained its valuable all-inclusive Hyatt Ziva and Zilara brands within the Playa portfolio, which positions the company to further grow this segment in the Caribbean and elsewhere as part of a broader strategic priority to expand its all-inclusive offering (in addition to serving as valuable outlets for loyalty members to redeem their points). Once the sale of the Playa real estate is complete, the company is expected to have over 90% of its revenue coming through fees. This should lead to a narrowing of its three-to four-point multiple discount to peers which combined with the continued EBITDA growth and further capital returns to shareholders through additional real estate sales should lead to strong shareholder returns over the coming years.

The shares of **Las Vegas Sands Corporation** underperformed in the first quarter as investors remained concerned about the lack of growth in the Macau market given the ongoing economic challenges in China. There is also uncertainty about the return on investment the company will generate from its recent $2 billion investment in Macau. We are optimistic about the prospects for this investment and believe Las Vegas Sands should capture additional market share and generate a respectable return on capital in 2026.

Management maintains a healthy and liquid balance sheet at only 2 times net debt to cash flow and is currently buying back approximately $2 billion of its stock a year or 7.5% of the company, while paying out a well-covered and respectable 2.5% yielding dividend. The shares are currently valued at less than 7.5 times its estimated 2025 cash flow (EBITDA) which represents a 6 multiple point discount to its historical valuation. We expect the company's valuation to improve as investors begin to see the return from its recent capital projects and business activity reaccelerates in Macau.

Recent Activity

Table IX.
Top net purchases for the quarter ended March 31, 2025

	Quarter End Market Cap ($ billions)	Net Amount Purchased ($ millions)
American Tower Corporation	101.7	105.8
Prologis, Inc.	106.1	62.4
Wynn Resorts, Limited	8.9	58.6
CRH public limited company	59.6	57.5
Taylor Morrison Home Corporation	6.1	49.3

In our prior quarterly letter, we articulated that while we had exited our investment in **American Tower Corporation** in 2024 due to fair to full valuation relative to the company's growth prospects, we may look to reacquire shares in the future due to our favorable view of the business model, secular growth, and superior management team. The opportunity presented itself sooner than we had anticipated. We re-acquired shares of American Tower in the first quarter at more attractive valuation levels combined with higher earnings visibility.

American Tower is a global owner of 150,000 wireless tower communication sites with a heavy emphasis on developed markets. We remain optimistic about the long-term growth prospects for American Tower given strong secular growth expectations for mobile data usage, 5G spectrum deployment and network densification (with 6G around the corner), edge computing (possible requirement of mini data centers next to a tower presents an additional revenue opportunity), and growth in connected IoT devices (e.g. homes and cars), which will require more wireless bandwidth usage and continued increased spending by the mobile carriers. In our view, shares of American Tower remain attractively valued on an absolute basis and relative to other data infrastructure companies, bookings activity is accelerating, and we believe the company will be able to deliver underlying per share organic earnings growth in the high single-digit range (with upside optionality through capital allocation opportunities such as share repurchases).

During the quarter we re-acquired shares of best-in-class industrial REIT **Prologis, Inc.**

For the last year we have been cautious on industrial REITs, as the companies were facing several near-term headwinds that included demand normalization to pre-pandemic levels (elongated corporate decision making), elevated supply deliveries in 2024, moderating rent growth in most geographic markets, inventory de-stocking, and pricey headline valuations relative to other REIT categories. As we noted at the time, we were likely to revisit industrial REITs at a later point given our optimism for the multi-year prospects for industrial REITs. Our optimism remains predicated on a compelling multi-year outlook for demand/supply/rent growth, significant embedded growth potential from in-place rents that are generally 30% below market rents, and several secular demand tailwinds (e-commerce, supply chain logistics, more inventory safety stock, near-shoring/onshoring).

We began re-acquiring shares for four reasons. First, we recently observed a notable pick up in leasing activity, which gave us confidence that the industry is on a better footing than a year ago. Second, we are encouraged by the sharp decline in supply deliveries forecasted for 2025 (down 50-75% year-over-year). Third, we expect that improved demand and supply can support stabilizing rents in most markets over the next year. Fourth, valuation multiples for industrial REITs screened more favorable following a recent correction in their share prices.

Prologis owns a high-quality real estate portfolio that is concentrated in major global trade markets and large population centers across the Americas, Europe, and Asia. It has an unmatched global platform, strong competitive advantages (scale, data, and technology), an exceptional management team, and attractive embedded growth prospects. We continue to believe the appreciation potential for Prologis' shares remains compelling given that the company's rents on its in-place leases are more than 40% below current market rents, thus providing a strong runway for cash flow and earnings growth in the next several years.

Wynn Resorts, Limited is the preeminent luxury global owner and operator of integrated resorts (hotels and casino resorts). The company has developed "best-in-class" real estate assets in Las Vegas (Wynn and Encore), Boston (Encore Boston Harbor), and Macau (Wynn Macau and Wynn Palace). The company continues to invest in its hotel and casino assets to maintain its lead in each market.

We are also bullish on the prospects for the company's newest development – the Wynn Al Marjan Island in the UAE (expected to open early in 2027). We believe the UAE is the most exciting new market for integrated resort developments in decades.

At its recent price of only $70 per share, the shares are valued at less than 7.2 times 2025 estimated cash flow versus a long-term average multiple of 13 to 15 times cash flow. We believe Wynn's discounted valuation reflects no growth in Las Vegas, Macau, and Boston. Further, we believe its UAE development could represent more than $35 per share in value on an $70 per share stock.

Wynn's management agrees that its shares are highly discounted as they have been allocating incremental capital toward share repurchases. In addition, Tilman Fertitta, a highly successful hotel, casino, and entertainment executive, has acquired more than $1 billion of Wynn shares (including $150 million in his most recent March 2025 purchase) and is now the largest shareholder of Wynn with a 12% stake in the company.

Table X.
Top net sales for the quarter ended March 31, 2025

	Quarter End Market Cap ($ billions)	Net Amount Sold ($ millions)
Equinix, Inc.	79.4	114.1
GDS Holdings Limited	4.9	84.2
Digital Realty Trust, Inc.	49.2	55.7
Expedia Group, Inc.	21.7	52.1
Blackstone Inc.	171.6	40.3

We continued to actively manage the portfolio and materially reduced our investment in data center companies **Equinix, Inc.** and **Digital Realty Trust, Inc**. due to company specific reasons in combination with reallocating capital to companies/sectors with more attractive investment prospects.

In the most recent quarter, we reduced the Fund's exposure to Equinix. While we remain optimistic about the company's ability to drive outsized bottom-line earnings growth through a combination of sales growth and operating leverage flow-through, the stock enjoyed two years of superior performance and valuation levels were no longer as compelling as other investment ideas we were surfacing. We may look to revisit the sizing of our investment should valuation levels relative to growth prospects become more attractive. Equinix is a blue chip data center operator with strong pricing power and the ability to drive outsized returns on capital.

The Fund also trimmed its investment in Digital Realty. As discussed earlier, our views on the risk/reward opportunity for the shares became more tempered early in 2025 due to an outsized valuation premium (sector leading both on historical basis and absolute level) combined with concerns regarding slowing demand from all-time highs, especially for larger footprint incremental new leasing. While we do not foresee a risk to bottom-line earnings over the next two years, the shares were pricing in elevated levels of new leasing, which we do not believe is sustainable. At recent trading levels, shares of Digital Realty have become more attractively valued and we may revisit our investment in the coming quarters. As always, we will review our investment through the lens of our capital allocation framework of identifying companies with the best risk-adjusted return prospects.

We first began to acquire shares of **GDS Holdings Limited** in early 2024 between $6 and $9 per share and continued to acquire shares as we got further proof points that our investment thesis was progressing. The stock closed out 2024 at $24 per share, representing a full year return of nearly 250%! While we remain optimistic regarding the multi-year growth prospects for the company and stock, we reduced our position due to risk management considerations given our investment in GDS grew to be an outsized position in the portfolio combined with several "needle moving" elements of our investment thesis playing out in a condensed timeframe. We always remain cognizant of the "unknowns" or risks that are harder to underwrite such as evolving geopolitical tensions, including the potential implementation of further restrictions to servers/chips, which is a consideration that informs position sizing despite the highly compelling risk/reward opportunity. While we don't conflate price volatility with risk, other considerations include still elevated debt levels to drive continued equity volatility, potential competition in international markets over the next few years, and the possibility for external capital needs to execute on a higher growth (and higher capex) business plan. That said, shares remain compelling at approximately 10 times cash flow when adjusting for the company's now minority stake in GDS International (renamed DayOne) versus REIT transactions in China at 13 to 15 times cash flows. Please refer to our third quarter 2024 shareholder letter where we lay out our investment case in greater detail.

Concluding Thoughts on the Prospects for Real Estate and the Fund

We are mindful that the equity market environment may remain challenging in the months ahead given that economic growth is slowing, inflation is likely to increase on the heels of the implementation of tariffs, and consumer and corporate confidence is waning. In our view, however, a portion of these concerns are reflected in current share prices, and we are identifying attractively valued best-in-class real estate companies.

Stepping back, we believe market turmoil will pass. We also believe we have developed the right real estate product for long-term success. In our opinion, the merits of our more equity-like and growth-oriented approach to investing in real estate, and our more comprehensive, flexible, liquid, and actively managed investment approach will shine even brighter in the years ahead because investing in real estate requires more discerning analysis (there are more "winners" and "losers") than in the past.

We continue to believe that our highly differentiated real estate fund enjoys, in our opinion, attractive attributes compared to actively managed REIT funds, passive/ETF real estate funds, non-traded REITs, and private real estate. Please see our fourth quarter 2024 shareholder letter where we outline the case for our Fund versus various real estate products.

Our real estate team remains focused and energized to deliver for you, our shareholders, over the long term.

Table XI.
Top 10 Holdings as of March 31, 2025

	Quarter End Market Cap ($ billions)	Quarter End Investment Value ($ millions)	Percent of Net Assets (%)
Welltower Inc.	98.3	130.8	6.3
American Tower Corporation	101.7	117.2	5.7
Jones Lang LaSalle Incorporated	11.7	115.2	5.6
CBRE Group, Inc.	39.2	102.0	4.9
Brookfield Corporation	86.2	80.8	3.9
CoStar Group, Inc.	33.4	66.5	3.2
Prologis, Inc.	106.1	61.0	3.0
Hilton Worldwide Holdings Inc.	54.5	57.2	2.8
Equinix, Inc.	79.4	55.9	2.7
Wynn Resorts, Limited	8.9	54.8	2.7

I proudly remain a major shareholder of the Baron Real Estate Fund.

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 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.

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 3.00% (Institutional Shares) during the first quarter of 2025, while its primary benchmark, the MSCI Emerging Markets Index (the Benchmark), appreciated 2.93%. The MSCI Emerging Markets IMI Growth Index (the Proxy Benchmark) gained 0.37% for the quarter. The Fund modestly outperformed the Benchmark while handily exceeding the Proxy Benchmark during a somewhat volatile quarter for global equities marked by uncertainty around President Trump's policy agenda priorities early in his second term. We were pleased with our first quarter results, particularly given the weakness in growth versus value-oriented emerging markets (EM) equities during the quarter.

In our view, the principal catalyst driving global capital markets during the quarter was a change in consensus thinking regarding U.S. foreign policy and the role of U.S. tariffs. As the quarter progressed, hopes that U.S. domestic immigration and tax reform priorities would dominate began to fade as foreign policy isolationism and economic nationalism/protectionism moved to center stage in the eyes of global investors. Protectionist rhetoric that had been rationalized as negotiating leverage exerted by a transactional president increasingly became viewed as perhaps a means to an end, with the likely economic impact being higher inflation and lower growth than expected, at least in the near term. Early in the second quarter, the jury is still out on whether the Trump administration pivots back to a more transactional posture, but at the time of this writing, concerns are growing that the U.S. is signaling an exit from the established rules-based global trade and security compact that has remained in place since the aftermath of World War II. Such a development, if entrenched, would in our view represent another move in the direction of geopolitical priorities superseding economic optimization. While we anticipate this would likely entail a rise in equity risk premium, particularly in the U.S. (to some extent already being priced in), we also believe it could act as the prevailing catalyst to usher in an extended phase of U.S. dollar weakness and ex-U.S. equity outperformance.

MICHAEL KASS
PORTFOLIO MANAGER

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

Table I.
Performance
Annualized for periods ended March 31, 2025

	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]	2.95%	3.00%	2.93%	0.37%
One Year	8.24%	8.43%	8.09%	6.67%
Three Years	1.04%	1.29%	1.44%	0.09%
Five Years	7.38%	7.64%	7.94%	6.99%
Ten Years	2.96%	3.22%	3.71%	4.01%
Since Inception (December 31, 2010)	3.40%	3.66%	2.14%	2.83%

Performance listed in the above table is net of annual operating expenses. Annual expense ratio for the Retail Shares and Institutional Shares as of April 26, 2024 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.

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For the first quarter of 2025, we performed broadly in line with the Benchmark while comfortably outperforming our all-cap EM growth Proxy Benchmark. From a sector or theme perspective, solid stock selection in the Industrials sector, driven by investments across multiples themes, including global security/supply chain diversification (**Hanwha Systems Co., Ltd.** and **Korea Aerospace Industries, Ltd.**), China value-added (**Jiangsu Hengli Hydraulic Co., Ltd.**), and digitization (**Full Truck Alliance Co. Ltd.**), was the largest contributor to relative performance this quarter. In addition, favorable stock selection effect in the Health Care sector, owing to our China value-added related holdings (**Zai Lab Limited** and **WuXi Biologics (Cayman) Inc.**), was also a notable contributor to relative results. Lastly, our underweight positioning in Information Technology, which was the worst performing sector during the quarter, also bolstered relative performance. Broadly offsetting the above was poor stock selection effect in the Consumer Discretionary sector, primarily attributable to select India holdings in our digitization (**Swiggy Limited**) and EM consumer (**Trent Limited**) themes. Adverse stock selection together with our underweight positioning in the Financials sector also weighed on relative results during the period.

From a country perspective, strong stock selection effect in China added the most value this quarter. Within China, a standout contributor was **Kingdee International Software Group Company Limited**, a leading domestic Enterprise Resource Planning (ERP) provider and key beneficiary of China's ongoing digital transformation and push for software localization. The company is well positioned to capture market share from foreign ERP competitors, while continuing to transition to a subscription, cloud-based business model that increases recurring revenue and earnings visibility. Our chronic underweight positioning in Taiwan was also a notable contributor to relative results, as AI/technology and data center-related plays corrected on fears of a capex slowdown. Lastly, our lack of exposure to Thailand, which suffered a double-digit correction during the period, also bolstered relative performance. Broadly offsetting the above was poor stock selection effect combined with our large overweight in India. In our opinion, India is on the cusp of an earnings recovery driven by a rebound in government infrastructure spending along with a recently announced tax cut for the middle class that should support domestic consumption. After a second consecutive quarter of equity market correction and underperformance, we believe this jurisdiction is likely at or near a relative bottom. We are encouraged by the performance of our China related holdings, which rallied through the quarter on early signs of economic stabilization, especially in the property sector. The improving macroeconomic signals, together with recent technological innovation via the groundbreaking AI development at "DeepSeek" and automated driving features unveiled by **BYD Company Limited**, are improving China's forward-looking earnings outlook while also triggering a long-awaited equities multiple rerating. That said, we remain somewhat cautious given uncertainties regarding global trade policy as proposed by the Trump administration, and we are gauging the anticipated impact to our Chinese investments, and more broadly across the portfolio.

Table II.
Top contributors to performance for the quarter ended March 31, 2025

	Contribution to Return (%)
Alibaba Group Holding Limited	1.46
Tencent Holdings Limited	0.93
Kingdee International Software Group Company Limited	0.79
Gold Fields Limited	0.52
Bajaj Finance Limited	0.49

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, as the company announced investment and progress in generative AI, and core domestic commerce growth accelerated. Alibaba is ramping its capital expenditures over the next three years to build out its cloud infrastructure layer and add AI capabilities to existing apps (e.g., consumer search). Within its commerce business, the core market is showing positive signs of stabilization, and improved profitability should follow. We retain conviction that Alibaba is well positioned to benefit from China's ongoing growth in e-commerce and cloud, although competitive concerns remain.

Tencent Holdings Limited operates the leading social network and messaging platforms (QQ, WeChat), the largest online entertainment and media business, and the largest online gaming business in China. Shares of Tencent were up, as core gaming growth reaccelerated, profitability again beat expectations, and the company announced a step-up in AI investments. Tencent has already seen benefits from AI in its core advertising technology, with better targeting, content ranking, and new ways of engagement (e.g., AI-based search); the company also remains a notable player in the frontier AI model space. We continue to believe in Tencent's ability to compound earnings, given its growth structure, massive scale, and focus on efficient operations. Longer term, we also believe Tencent could be the largest generative AI beneficiary in China, given its ability to improve its existing products and enter adjacent markets with massive scale and distribution. We continue to monitor the regulatory environment.

Shares of **Kingdee International Software Group Company Limited**, a leading Chinese ERP provider, increased during the quarter due to optimism that new AI features will improve enterprise customer productivity, accelerate revenue growth, and expand its competitive edge. We believe Kingdee will be a key beneficiary of the digital transformation and software localization of Chinese companies. We expect Kingdee will take market share from foreign ERP providers while continuing to transition to a subscription, cloud-based model that should lead to increased recurring revenue and earnings visibility.

Table III.
Top detractors from performance for the quarter ended March 31, 2025

	Contribution to Return (%)
Taiwan Semiconductor Manufacturing Company Limited	–1.22
Swiggy Limited	–1.02
Kaynes Technology India Limited	–0.60
Trent Limited	–0.56
JM Financial Limited	–0.32

Semiconductor giant **Taiwan Semiconductor Manufacturing Company Limited** (TSMC) detracted in the first quarter due to uncertainty around tariffs, rumors about a potential joint venture with Intel, concerns about long-term margin dilution from increasing manufacturing capacity in the U.S., and fears of a slowdown in AI-related semiconductor demand. We retain conviction that TSMC's technological leadership, pricing power, and exposure to secular growth markets, including AI/high-performance computing, automotive, 5G, and internet of things, will allow the company to sustain strong double-digit earnings growth over the next several years.

Swiggy Limited is a leading food delivery platform in India, with approximately 45% market share. Shares were down due to greater-than-expected losses in its quick commerce business, as the company increased investment amid rising competition. We retain conviction in Swiggy as we believe India's food delivery and quick commerce industries are still in their 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 given a technology-savvy younger population.

Kaynes Technology India Limited is a leading electronics manufacturing service player in India, offering services across the automotive, industrial, railway, medical, and aerospace and defense industries. Shares were down this quarter due to lower-than-expected quarterly sales, as execution on a subset of industrial-related orders was temporarily delayed. We retain conviction in Kaynes Technology, as we believe it is well positioned to benefit from the government's Make in India initiative, which encourages domestic manufacturing of electronic components by providing attractive tax subsidies and manufacturing infrastructure. We are excited about the company's decision to set up an Outsourced Semiconductor Assembly and Test facility, which we believe represents significant incremental growth opportunity in the medium term. We expect the company to deliver over 30% compounded EBITDA growth over the next three to five years.

Portfolio Structure

Table IV.
Top 10 holdings as of March 31, 2025

	Percent of Net Assets (%)
Taiwan Semiconductor Manufacturing Company Limited	8.3
Tencent Holdings Limited	5.1
Alibaba Group Holding Limited	4.2
Bharti Airtel Limited	2.6
BYD Company Limited	2.5
Bajaj Finance Limited	2.5
Full Truck Alliance Co. Ltd.	2.4
HD Korea Shipbuilding & Offshore Engineering Co., Ltd.	2.4
Contemporary Amperex Technology Co., Limited	2.0
Meituan	1.9

Table V.
Percentage of securities by country as of March 31, 2025

	Percent of Net Assets (%)
China	33.2
India	27.3
Korea	11.7
Taiwan	11.5
Brazil	4.5
Poland	2.6
South Africa	1.6
Peru	1.5
Philippines	1.2
Mexico	1.0
Argentina	0.8
United Arab Emirates	0.7
Indonesia	0.7
Greece	0.5
Hong Kong	0.5
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 first quarter of 2025, the Fund's median market cap was $14.2 billion, and we were invested 50.8% in giant-cap companies, 37.7% in large-cap companies, 9.6% in mid-cap companies, and 1.5% in small- and micro-cap companies, as defined by Morningstar, with the remainder in cash.

Recent Activity

During the first 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 increased exposure to our sustainability/ESG theme by initiating positions in Chinese electric vehicle (EV) manufacturers, **BYD Company Limited** and **XPeng Inc.** BYD is China's largest EV manufacturer with approximately 35% domestic market share. Its competitive advantage stems from vertical integration, including in-house battery production, and a best-in-class cost structure owing to economies of scale. China is leading the EV revolution with penetration levels exceeding 50%, which is well ahead of the rest of the world. BYD, in our view, has been a key enabler of EV adoption by making it affordable for consumers to switch from gasoline engines to electric power vehicles. Going forward, the company should continue to benefit from structural growth opportunities within China, with growing dominance in overseas markets as an additional vector for earnings growth. We expect BYD to gain share abroad, particularly among price sensitive EM customers with the buildout of efficient and low-cost manufacturing plants. The recent introduction of new autonomous driving features to its mid-range and low-end mass market vehicles will further improve BYD's leadership position. We believe earnings should double over the next three years with scope for attractive shareholder returns going forward.

XPeng is another leading Chinese EV manufacturer, distinguished by its in-house development of advanced driver-assistance systems (ADAS) and intelligent in-car operating systems. XPeng is at the forefront of autonomous driving technology, with its strong first-mover advantage in AI-driven in-car applications, as well as vision-based ADAS software compared to peers. The company's recent smart EV model launches such as the G6, G9 SUVs, and Mona M03 have been well received by the market and show its commitment to innovation. XPeng is well positioned to lead in Level 3 and 4 autonomous driving technology given its lead in data collection, in-house chip development, and strong software capabilities, in our view. We are also optimistic about the company's strategic partnership with Volkswagen which brings global scale, capital, and validation of its in-house technology.

During the quarter, we also added to our China value-added theme by initiating a position in **Zhejiang Shuanghuan Driveline Co., Ltd.**, a leading Chinese manufacturer of high-precision gears with a dominant position in EV transmission components. The company supplies top EV manufacturers including Tesla, benefiting from its advanced manufacturing capabilities and precision engineering. Its strong market position and technology leadership give it a competitive edge, especially as EV adoption accelerates globally. Shuanghuan Driveline is also a market leader in RV reducers for industrial robots in China through its subsidiary, Fine Motion. These components are critical for precision movement in robotic joints, and we expect the company to continue to gain share in China's industrial robotics market. We are also bullish on Shuanghuan Driveline's positioning in the emerging and related humanoid robotics space, which offers significant long-term growth potential.

As part of our digitization theme, we established a position in **KE Holdings Inc.** (Beike), China's leading housing transaction and services platform. In a market long plagued with fragmented data and unreliable listings, Beike stands out with the most comprehensive and verified property inventory, creating strong advantages in scale, brand trust, and service quality. We decided to initiate a position as signs of stabilization emerged in both the primary and secondary property markets across Tier-1 and key Tier-2 cities in China. With its market leadership and an asset-light model, Beike is well positioned to benefit from a real estate recovery. The company holds approximately 30% share in existing home transactions and 10% in new home sales, well ahead of peers, and is set to further extend its lead as the industry consolidates. We also see future value creation from Beike's investments in newer initiatives including home furnishing, rentals, and customer-driven property development, which are not currently contributing to earnings. As China continues to discourage speculative development in favor of a new emphasis on "housing for living," demand is rising for home upgrades, quality rentals, and aging property renovations. The company's deep transaction data and network across buyers, homes, and service providers should drive synergies across its ecosystem and unlock value in a broader total addressable market. We expect Beike to deliver over 15% compound earnings growth over the next five years, and increase shareholder returns via share buybacks and dividends.

During the quarter, we also increased exposure to our India wealth management/consumer finance theme by initiating an investment in **Kotak Mahindra Bank Limited.** Kotak is India's fourth largest private sector bank. It offers products across various verticals including commercial banking, consumer finance, securities lending, investment banking, asset management, and life insurance. In our view, the company embodies the hallmarks of a high-quality bank, with a strong deposit franchise, robust capital base, and a prudent approach to risk management. Having navigated India's rapid consumer loan expansion with a cautious approach, Kotak is now well positioned to drive balance sheet growth from a position of strength, particularly as deteriorating asset quality begins to affect its peers. In addition, the Reserve Bank of India's recent decision to lift restrictions on digital client onboarding and credit card issuance marks a significant inflection point, enabling Kotak to expand its retail loan book more rapidly. This move not only allows the bank to acquire customers more cost-effectively but also strengthens its presence in the high-margin credit card segment, reinforcing its long-term growth trajectory. In our view, Kotak is well positioned to sustain mid-teens earnings growth over the next three to five years, while also being less impacted from global trade related uncertainties given its focus on domestic consumption and corporate activity.

We added to several of our existing positions during the quarter, including **Bajaj Finance Limited**, **InterGlobe Aviation Limited**, **MercadoLibre, Inc.**, **Cholamandalam Investment and Finance Company Limited**, **Cummins India Limited**, **Alibaba Group Holding Limited**, and **E Ink Holdings Inc.**

During the quarter, we also exited several positions including **Kanzhun Limited**, **Kweichow Moutai Co., Ltd.**, **KB Financial Group Inc.**, **Wal-Mart de Mexico, S.A.B. de C.V.**, **Ayala Land, Inc.**, **Aarti Industries Limited**, **Samsung SDI Co., Ltd.**, **Yum China Holdings Inc.**, **Galaxy Entertainment Group Limited**, **Budweiser Brewing Company APAC Limited**, **Shenzhen Mindray Bio-Medical Electronics Co., Ltd.**, and **Kingsoft Corporation Ltd.**, as we continue our endeavor to allocate capital to our highest convictions ideas.

Outlook

April 2, 2025 was deemed "Liberation Day" by U.S. President Donald Trump, though it may represent liberation only from free trade and economic optimization. The U.S. initiated a trade war against the rest of the world (ROW), while, when viewed in conjunction with recent foreign policy moves, may perhaps more significantly be signaling America's withdrawal from the longstanding global trade and security compact that it inspired in the aftermath of World War II, having ascended to unilateral hegemon after the fall of the Iron Curtain in November 1989. We believe the market reaction to "Liberation Day" is reasonable given the uncertainties, and suggests that contrary to the spin, the U.S. was actually the disproportionate beneficiary of this global trade and security equilibrium. It is of course possible that a negotiated course-correct plays out which we would view as positive for investors, but as we alluded in our prior letter, the emperor of U.S. exceptionalism appears to have little clothing right now. On the other hand, should the paradigm of economic nationalism and foreign policy isolationism gain momentum and take hold for good, we believe such a new world order would initially elevate risk premium, and it could take considerable time to establish a new equilibrium. The silver lining for those reading this letter: if such a paradigm shift were to take place, we would anticipate outperformance of non-dollar assets as likely. The unprecedented recent weakness of the U.S. dollar in the face of rising recession odds in our view suggests rising likelihood of a paradigm shift and better times ahead for the relative returns of non-U.S. equities. U.S. economic nationalism, isolationism, and a willingness to declare economic war on the ROW, whether for real or just as negotiating leverage, is proving a unifying event for Europe as well as for ROW consumers and corporates, and in our view, a wake-up call for global investors currently underweight non-U.S. assets.

What's at stake in this potential withdrawal? The U.S. is currently on course to cede its role as white knight hegemon, a role that has worked out pretty well for America in the post-World War II era, despite the blemishes and costs. Certainly U.S. manufacturers and the related working class have been adversely impacted, but to us this is likely more due the relatively high cost of U.S. labor, land, and environmental regulations when compared to countries with far lesser per capita income, than to foreigners "ripping us off." While foreign trade barriers can and should be lowered, the U.S. is by far the wealthiest nation in the world, and with a consumer-led economy, it should naturally have a current account deficit. The U.S. has failed over decades to establish policies and programs to adequately retrain workers that have been disadvantaged by the "middle-income trap" afflicting low value-added manufacturing, but we believe historic levels of tariffs are unlikely to represent a silver bullet. The administration on the surface seeks not only to shrink or eliminate the current account deficit but to also abruptly diminish 40 years of globalization, economic optimization, and capital efficiency. In our opinion, success would likely come at least partially at the expense of corporate profit margins and U.S. consumers' real income. Forcing the private sector to reshore low value-added manufacturing plants may or may not improve manufacturing wages (we suspect it may also speed the development of automation, AI and humanoid robots, etc.), but we do not believe it will be beneficial to corporate profit margins.

One reason EM equities trade at a discount to the U.S. is because many such countries function at least in part as patronage systems with a weak or unpredictable rule of law. In such systems, political affiliation or favor, rather than free market competitive advantage, often divide the spoils, leading to heightened volatility and a lack of duration, reflected in lower equity multiples. It is premature to declare the U.S. economy as such a system, but this appears the direction of travel, in our view unsettling the tectonic plates of relative earnings growth, risk premium and valuation on U.S. versus non-U.S. assets. Patronage and national service usurp the private sector's freedom to allocate capital to its most efficient use, while also often capping corporate profitability and/or investor confidence in longer-term earnings growth. In our view, this, rather than near-term economic/earnings momentum, is the greater risk of a paradigm shift in the global trade equilibrium.

As the issuer of the world's reserve currency, the U.S. has benefitted for decades as the safe haven in a storm; a rising currency in turbulent times affords the Federal Reserve incremental cushion to ease monetary policy to combat financial or economic stress – particularly relative to foreign central banks that must contend with weaker currencies and by association more challenging inflation risks. Further, the world's reserve currency, particularly during the global hegemon phase of the past 35 years, accrues a material funding cost advantage as it ensures stable demand for sovereign bonds and, by definition, a dominant liquidity advantage. The mirror image of a large current account deficit is a massive capital/financial account surplus, which in our view has been a key contributor to perceived U.S. exceptionalism when measured by demand for U.S. assets and relative valuation. Thus, a significant reduction in the U.S. current account deficit would also diminish foreign demand for U.S. financial assets and erode the global liquidity, funding cost advantage, and safe haven status endemic to the world's reserve currency. The extraordinary U.S. tariff regime as proposed represents a short-term inflation and growth shock to the U.S., while outside the U.S., it represents a *deflationary* impulse and growth shock, this time affording foreign central banks greater room to maneuver. A goal of onshoring manufacturing at a high marginal cost, while encouraging the ROW to coalesce in protest of U.S. protectionism via new trade pacts and boycotts, would likely reprogram global capital flows and further erode the net benefits that have accrued to the U.S. over the 30-plus year period of expanding global trade. Further, roughly 40% of S&P 500 Index revenues are generated in foreign countries – certainly some portion of this is at risk, which in our view again would shift the forward-looking relative earnings growth dynamic in the direction of non-U.S., as U.S. goods and services are increasingly replaced by alternative sources.

With regard to the Fund, we highlight our large overweight position in India as a likely anchor in the current global trade storm. Having absorbed a fairly steep correction in our India holdings in the fourth quarter of 2024 and through much of the recent quarter, Indian equities began to recover and outperform just as global equities and volatility started sending warning signals in early March. In our view, India is a big "relative winner" as the country is one of the least impacted from a trade war, given that it is primarily a domestic consumer driven economy with a low share of global trade. With goods exported to the U.S. accounting for only 2% of India's GDP, the impact of announced tariffs will only modesty impact it's world-leading real GDP growth of roughly 6%. Further, we anticipate the final impact could be far less, as the U.S. and India are currently in active discussions to sign a Bilateral Trade Agreement (BTA) with a lofty goal to more than double trade to $500 billion by 2030. In our view, India will likely increase purchases of U.S. oil and gas, as well as defense equipment, to narrow the current $46 billion trade surplus with the U.S. We are closely monitoring developments on this front as the execution of a BTA should trigger a meaningful reduction in tariffs and set the stage for increased bilateral trade, benefitting both countries and confirming our longstanding view that India represents an increasingly important ally of the U.S., particularly as a counterweight to a rising China within Asia. In addition, a global slowdown will have a deflationary impact on key oil and commodity imports for India, often viewed as the country's Achilles heel, thereby acting as a fiscal boost given that India imports roughly 80% of its energy needs. More generally, and across the Fund, from a bottom-up perspective we have always emphasized quality domestic growth companies rather than global-facing and export driven businesses, which should further temper our direct exposure to earnings disruption related to rising trade protectionism.

Current U.S. economic and trade policy is turning economic orthodoxy on its head. While the U.S. dishonors this orthodoxy, capital is migrating offshore. It appears that the U.S. may no longer be the protector of global security and democracy, free trade, and free markets; rather, it recently appears a principal source of disruption with an agenda to unwind decades of disinflation and capital efficiency. While we look for signs that the U.S. Congress can begin to reclaim its mandate over U.S. trade and tariff policy and slow the protectionist momentum, we suggest that to some extent, and in the eyes of our traditional trading and geopolitical allies, the genie is out of the bottle, and the catalyst we have been waiting for is finally now in view. Our suggestion in our previous letter, that the horse of U.S. exceptionalism has left the barn, and that looking forward from here there is likely more upside than downside in ex-U.S. equity relative performance, now appears prescient. We believe it is time to rebalance in favor of non-U.S. assets. We continue to anticipate a volatile year that we suspect will offer attractive opportunities for long-term investors.

Thank you for investing in 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.

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Dear Baron Global Advantage Fund Shareholder:

Performance

Baron Global Advantage Fund® (the Fund) declined 9.4% (Institutional Shares) during the first quarter, compared to the 1.3% decline for the MSCI ACWI Index (the Index), and the 6.8% decline for the MSCI ACWI Growth Index, the Fund's benchmarks.

Table I.
Performance†
Annualized for periods ended March 31, 2025

	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]	(9.46)%	(9.39)%	(1.32)%	(6.82)%
One Year	10.29%	10.58%	7.15%	5.70%
Three Years	(3.63)%	(3.38)%	6.91%	6.83%
Five Years	6.16%	6.42%	15.18%	15.36%
Ten Years	9.42%	9.68%	8.84%	10.62%
Since Inception (April 30, 2012)	10.38%	10.64%	9.44%	11.00%

ALEX UMANSKY
PORTFOLIO MANAGER

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

After two consecutive years of 25%-plus gains, we were off to an excellent start in 2025. On February 19, more than halfway through the first quarter, the Fund was up 10.4%, comfortably ahead of the Index, which was up 5.5%. Even with the benefit of hindsight there was no way to know exactly when the music would stop, but stop it did *because above all else, financial markets dislike uncertainty*. It's not like DOGE and tariffs were new. We, and more importantly, the current administration, have been talking about it for the past six months. On March 1, 2018, President Trump announced his intention to impose a 25% tariff on steel and a 10% tariff on aluminum imports. In a tweet the next day, Trump asserted, "Trade wars are good, and easy to win." One week later, on March 8, he signed an order to impose the tariffs effective after 15 days. So, businesses and investors alike should have been well prepared for what was to come, right? Except…

We see no benefit in litigating whether tariffs are a good or a bad idea and we do not know how the trade war will end. The trade deficit problem and why it must be fixed was brilliantly articulated by Warren Buffett in a Fortune article penned in November 2003 titled: *"America's Growing Trade Deficit Is Selling the Nation Out From Under Us. Here's a Way to Fix the Problem – And We Need to Do It Now."*[4] (a highly recommended read, if you have time). Mr. Buffett proposed a clever and nuanced solution involving Import Certificates that would be implemented carefully and with ample notice to all trading partners so they could properly plan, prepare for, and adapt to it. Businesses and financial markets depend on stability and predictability and changing the rules too abruptly or too drastically could cause disruption and result in significant negative economic consequences. Well… while we can debate the administration's strategy, communication,

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 April 26, 2024 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 DM countries and 24 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 https://berkshirehathaway.com/letters/growing.pdf

and intent – stable and predictable it is clearly not. This administration is a disruptive force. While things may or may not work out as they want and expect, in the meantime, it creates a lot of instability and chaos. And so, a broad market sell-off ensued.

The Fund is focused on investing in *Big Ideas*, which often trade and can be thought of as long duration assets. As such, we are often subject to significant stock price fluctuations, especially over the short term during extreme market volatility, while the intrinsic values of our businesses are far more stable. Nevertheless, it was a tough first quarter. From a performance attribution perspective, most of our underperformance (65%) was driven by sector allocation, where we were hurt by being overweight in Information Technology (IT), underweight in Financials, and having minimal exposure to Consumer Staples, Energy, Materials, Utilities, and Real Estate. The rest was poor stock selection in IT, Health Care, Industrials, and Financials, partially offset by favorable stock selection in Consumer Discretionary. From a stock-specific perspective, the anticipation of tariffs turned most of our winners into losers and we ended the quarter with just 8 contributors against 25 detractors. **Bajaj Finance** and **MercadoLibre** contributed over 50bps each to absolute returns while 10 of our investments cost the Fund 50bps or more, with **NVIDIA** and **Datadog** accounting for 150bps and 101bps, respectively. The entirety of the Fund's quarterly loss can be attributed to multiple contraction as opposed to a decline or even a slowdown in company fundamentals. This suggests that the market expectations have decidedly shifted towards higher inflation, lower growth, and higher probability of a global recession.

At this point, we would normally explain that we are not Macro investors and have neither the skill nor the ability to allocate capital based on a "Macro view." We would then proceed to regurgitate the pillars of our investment process (long-term ownership mindset, competitively advantaged, well-managed, high-quality businesses), and every time we have done that – it got worse, before it got better. We have invested a considerable amount of time and brain power in doing the post-mortem and analyzing lessons learned in an effort to if not completely avoid then at least meaningfully reduce the impact of big, sudden drawdowns. Our conclusion is that there is no way around it or over it, but through it! Because of who we are (long-term owners of businesses) and because of what we do (invest for the long term) we simply *have to go through the steps*. With this realization comes a newfound contentment. This, too, shall pass! The real challenge is having the wherewithal, having the confidence, to admit, to say, it's going to take a minute. We know that along the way, there will be great opportunities to come.

To be clear, this is NOT to suggest that we simply "let it ride." We are constantly re-underwriting the key assumptions that form the investment thesis for every company that we own, stress-testing them against our entire range of possible outcomes. The goal is to reduce investments in businesses where our conviction level has lessened and increase investments where our conviction level has increased or remains the same while the stock price volatility has given us a renewed/attractive opportunity to add. Importantly, we refuse to give up long-term alpha for a chance to reduce short-term beta. *The analysis is conducted entirely on a company-by-company basis*.

Most of our decisions fall into one of three categories:

- **Easy** – there is no change in the business' fundamentals, in the KPIs that really matter. The decline in the stock can be attributed entirely to multiple contraction due to minor changes in macro conditions and investor psychology. These decisions are easy because over the long term, stock prices will reflect the business' intrinsic value, and if the former is unchanged, we can now get that same great business at a discount.
- **Medium** – there is clear impact on fundamentals, but we have high conviction that the impact is cyclical and hence temporary. If the slowdown is caused by macro and is industry-wide, as opposed to deteriorating competitive dynamics and company specifics, everyone's fundamentals (revenues, earnings, cash flows) will decline. This is what is known as a cyclical downturn. Stocks can move violently during cyclical downturns because multiples contract at the same time as the fundamentals. These decisions are more difficult because timing trough multiples on trough earnings is notoriously tricky and being too early can be painful, but there is meaningful upside here when the cycle turns, and both multiples and fundamentals return to normalized/trendline levels.
- **Hard** – there is a negative impact on fundamentals but it's not clear if it is cyclical or secular. Management teams will never admit a secular deterioration – it's not very common to hear a CEO admit that the competition is beating us or that advancements in AI might put all of us out of business. What we would hear instead is – it's the economy, the tariffs, or our favorite - the weather.

We have been pretty good at making decisions that fall into the first two categories. We have struggled with the third.

We believe our companies are well positioned to weather the storm, though like all businesses they will be impacted if the economy slows down or goes into recession.

- Our companies have limited or no direct exposure to the U.S. government.
- Most of our companies do not sell goods but instead provide critical services to their customers.
- Most of our non-U.S. companies sell to customers outside the U.S – hence we do not expect any direct impact from tariffs. Think MercadoLibre, the e-commerce and fintech platform in Latin America, or **Coupang**, which does the same in South Korea.
- Even the remaining companies are not significant importers and should have limited direct exposure to tariffs.
- We own businesses that sell critical products or services to their customers that are not easily turned off or replaced. **Shopify** as an example, is the platform on which its merchants run their sales operations, or **Cloudflare** that modernizes their customers' networks, run applications efficiently, securely and reliably and has a development platform (Workers) that is used by over 3 million developers.

- Many of our companies are platform businesses and leaders in their industries. These types of companies tend to become stronger during more challenging times, as customers consolidate their spending on the most important vendors to save costs.
- Most of our companies are asset light and have net cash positions. They do not need to access capital markets when they may not be available.

In the meantime, we continue to be all bulled up about AI. Once again, we spent the better part of a week attending NVIDIA's developer conference in San Jose, California. Once again, we came out with greater conviction that AI is the biggest disruptive change we have seen in our careers. As models continue to move up and to the right on the intelligence curve, and down on the cost curve, new markets and opportunities open up. We attended a discussion with Noam Brown from OpenAI, who described the progress and opportunity: *"The pace of progress has exceeded everyone's expectations in the last 5 years… we need to look at the trajectory. Have very good reasons to be optimistic. Need to think about it as intelligence per token… the intelligence versus the cost curve… as even the most expensive models are much cheaper than humans… and the top human expert in a field is paid a lot."* Jensen Huang, NVIDIA's founder and CEO, similarly described how the opportunity is in the trillions of dollars for NVIDIA, calling the DeepSeek development (which led to investor concerns that AI would require less compute than previously expected) *"profoundly misunderstood… as reasoning models require over 100x more compute than previously thought."* NVIDIA's progress in AI across the stack, in hardware and software, and across industry domains remains unmatched. We have seen up close the upcoming Kyber server with *576 Rubin Ultra (next-next gen) GPUs* with compute trays stacked like books on one side, with Nvlink-based networking trays on the other side, and PCB boards connecting them without any cabling in between. We are just getting started!

Table II.
Top contributors to performance for the quarter ended March 31, 2025

	Quarter End Market Cap ($ billions)	Contribution to Return (%)
Bajaj Finance Limited	64.9	0.78
MercadoLibre, Inc.	98.9	0.66
Cloudflare, Inc.	38.9	0.35
Zscaler, Inc.	30.7	0.17
Afya Limited	1.7	0.17

Shares of **Bajaj Finance Limited** contributed to performance during the quarter. Bajaj is a leading non-bank financial company in India. Shares were up 31.0% this quarter driven by strong quarterly earnings and signs of improving asset quality. Assets under management grew 28% year-over-year, driven by a record 12 million new loans in the quarter, while adding 5 million new customers to the franchise. The recently announced leadership transition of longtime Managing Director, Rajeev Jain, to an Executive Vice Chairman role was also welcomed by investors, as the move ensures continuity in the company's growth strategy. We retain conviction in Bajaj due to its best-in-class management team, robust long-term growth outlook, and conservative risk management frameworks. We think the company is well positioned to benefit from growing demand for consumer financial services such as mortgages, personal and credit card loans, among other related products.

MercadoLibre, Inc., the leading e-commerce marketplace across Latin America, contributed to performance as shares rose 14.7%. The company reported solid fourth quarter results, with better-than- expected revenue growth of 37% year-on-year and a significant beat on operating earnings which reached $820 million, 33% above expectations. The company's 10.5% EBIT margin rebounded sharply, reversing the decline seen in the previous quarter and alleviating concerns about reinvestments impacting near-term profitability. MercadoLibre continues to post strong growth in volume indicators, with a 56% year-on-year growth in Gross Merchandise Value (GMV) in constant currency and a 49% growth in Total Payments Volume in constant currency, which gives us confidence in its ability to continue capturing a leading share of the structural growth opportunity for e-commerce and fintech in Latin America. We remain shareholders.

Cloudflare, Inc. offers enhanced security and performance for websites, applications, and software-as-a-service (SaaS), and is increasingly well positioned to help power AI-enabled applications at the edge (via mobile device or local server). Its network spans over 100 countries and connects with over 10,000 enterprises and providers of internet services, cloud, and SaaS. Its edge network operates within 100 milliseconds of 99% of the developed world. Shares increased 5.4% after Cloudflare reported solid quarterly results, with 27% year-on-year revenue growth and 14.6% operating margins, and reiterated expectations of accelerated growth as the recently hired sales representatives become more productive over time. We maintain conviction as we see a bright future ahead for Cloudflare, characterized by durable top-line growth of 25% year-over-year underpinned by the growing set of products it offers customers via its expanding platform that leverages the core network. We also believe that Cloudflare's unique ability to run all of its cloud products on every server in every datacenter will enable it to expand margins and free cash flow as the incremental cost of additional product adoption once a customer already uses Cloudflare for some of its offering is near zero.

Table III.
Top detractors from performance for the quarter ended March 31, 2025

	Quarter End Market Cap ($ billions)	Contribution to Return (%)
NVIDIA Corporation	2,644.5	–1.50
Datadog, Inc.	34.0	–1.01
Shopify Inc.	123.6	–0.91
Zomato Limited	22.8	–0.91
Globant S.A.	5.2	–0.85

NVIDIA Corporation sells semiconductors, networking, systems, and software for accelerated computing, gaming, and AI. During the quarter, the stock corrected 19.3% as narratives shifted towards skepticism, ranging from concerns over a slower-than-expected AI adoption to fear that future AI training and inference workloads may become more compute-efficient, reducing demand for NVIDIA's systems. We believe these concerns are premature. Training cluster buildouts are progressing in line with expectations, while inference will scale gradually as enterprises integrate AI into real world workflows. Against this market narrative, NVIDIA delivered another strong quarter, exceeding expectations with 78% year-on-year revenue growth at a massive scale (revenue run rate is $160 billion), driven by record datacenter performance, with datacenter revenues up 94% from last year. The company's end-to-end platform approach continues to be differentiated and near-term concerns around the Blackwell ramp and supply chain proved overstated, and all GPU configurations are in full production. Longer term, our conviction remains high. All the industries bottlenecked by intelligence will leverage AI, unlocking trillions of dollars in value. Most of these AI workloads will be supported by large language models running in the datacenters. NVIDIA is uniquely positioned to power this transformation through its full-stack approach, spanning silicon, systems, software, and developer ecosystem, and hence its competitive moat continues to widen.

Shares of **Datadog, Inc.** underperformed during the quarter, declining 30.6%. The company delivered strong fourth quarter results, ending the year with over $3 billion in Annual Recurring Revenue, sales growth of 26% and FCF margins of 29%. In 2024, growth was driven by large enterprises consolidating their observability stacks onto Datadog and by AI native start-ups using Datadog to monitor their rapidly growing AI applications. However, shares declined for two reasons. First, Datadog guided to 2025 sales growth of 19%, a couple of points below Street expectations, primarily due to the AI customers optimizing contracts for better pricing in 2025 (after a period of exponential spend growth). Second, Datadog plans to accelerate investments in engineering and sales professionals throughout the year, leading to lower incremental margins over the next few quarters. We view the contract optimization issue as short term and believe the larger volume commitments AI-natives are signing will fuel growth beyond 2025 as those customers scale. We are also supportive of the management's decision to invest in product development and sales capacity that will position the company to continue taking share in the $50 billion-plus observability market longer term. We remain shareholders.

Shopify Inc. is a cloud-based software provider for multi-channel commerce. Shares declined 10.2% in the first quarter as investors took profits following two strong years of performance and as growth stocks sold off in the last six weeks of the quarter due to increased uncertainty and declining consumer confidence. We remain shareholders. Shopify reported strong quarterly results, with year-over-year GMV, revenue, and free-cash-flow growth of 26%, 31%, and 37%, respectively. Operating margins also ran ahead of expectations, reaching 16.5% for the fourth quarter and 12.1% for 2024. While the company continues gaining share in its core domestic e-commerce market (we estimate that Shopify achieved 12% market share), we are increasingly seeing data pointing to a successful expansion to new opportunities including international, business-to-business, and offline. While Shopify will not be immune to a cyclical downturn if it occurs, we like its longer-term prospects given its strong competitive positioning, innovative culture, and long runway for growth, as it still holds less than a 2% share of the global commerce market.

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 March 31, 2025, the top 10 positions represented 63.4% of the Fund's net assets, and the top 20 represented 86.4%. We ended the first quarter with 38 investments. Note that our top 25 investments represented over 93% of the Fund.

Our investments in the IT, Consumer Discretionary, Industrials, Financials, and Health Care sectors, as classified by GICS, represented 99.5% of the Fund's net assets. Our investments in non-U.S. companies represented 56.6% of net assets, and our investments in emerging markets and other non-developed countries (Argentina) totaled 30.5% of net assets.

Table IV.
Top 10 holdings as of March 31, 2025

	Quarter End Market Cap ($ billions)	Quarter End Investment Value ($ millions)	Percent of Net Assets (%)
Space Exploration Technologies Corp.	349.1	60.6	11.9
MercadoLibre, Inc.	98.9	45.4	8.9
Shopify Inc.	123.6	45.2	8.9
NVIDIA Corporation	2,644.5	39.1	7.7
Cloudflare, Inc.	38.9	31.7	6.2
Coupang, Inc.	39.6	25.3	5.0
argenx SE	36.0	22.3	4.4
Bajaj Finance Limited	64.9	21.2	4.2
Snowflake Inc.	48.8	17.1	3.4
Zomato Limited	22.8	15.5	3.0

Table V.
Percentage of securities by country as of March 31, 2025

	Percent of Net Assets (%)
United States	43.0
Argentina	10.3
Netherlands	10.0
Canada	8.9
India	7.2
Korea	5.0
Israel	3.7
China	2.9
Poland	2.1
United Kingdom	1.9
Spain	1.8
Brazil	1.5
Taiwan	1.5

Recent Activity

During the first quarter, we initiated an investment in the cyber-security software provider, **SailPoint**.

We also added to our positions in the leading semiconductor manufacturer, **Taiwan Semiconductor**, the fintech company, **Block**, the electric vehicle manufacturer, **Tesla**, and the Chinese e-commerce platform, **PDD**. We reduced 14 existing positions to fund the purchases above.

Table VI.
Top net purchases for the quarter ended March 31, 2025

	Quarter End Market Cap ($ billions)	Net Amount Purchased ($ millions)
Taiwan Semiconductor Manufacturing Company Limited	861.0	2.5
SailPoint, Inc.	10.4	1.8
Block, Inc.	33.7	1.0
Tesla, Inc.	833.6	0.4
PDD Holdings Inc.	164.4	0.2

During the first quarter, we initiated a new position in **SailPoint, Inc.**, a leading identity governance and administration (IGA) software security vendor. SailPoint is led by its Founder and CEO Mark McClain who created the IGA space around 20 years ago before selling his first company to Sun Microsystems (now part of Oracle). SailPoint was taken private approximately three years ago by Thoma Bravo to further innovate on its cloud platform and accelerate the model transition to SaaS, which now accounts for 60% of the total business. Over this time the company has also improved its operating margins by around 1,200 bps and has emerged as a larger, faster growing, and a more profitable business.

The company has a very sticky customer base as evidenced with best-in-class gross retention rates of over 97%, a durable competitive moat thanks to its deep domain expertise with complex policy management, and multiple growth levers, including: i) continued migration of the large legacy installed base to the cloud (estimated to be a $2.5 billion opportunity); ii) cross sell and upsell to the existing installed base as customers renew and adopt additional solutions such as non-employee risk management; iii) good net new customer growth (expected to drive roughly 50% of net new annualized recurring revenue growth); iv) migrations (only about 10% of on-premises customers have migrated to the cloud thus far); and v) new machine identity products that can act as mid-term incremental growth levers. We expect the company to compound annual recurring revenue or ARR by at least 20% for several years and with the company recently paying off its debt, for non-GAAP operating income and free-cash-flow margins to converge over the next two to three years as the company pushes toward Rule of 40 over time.

Our largest add during the quarter was **Taiwan Semiconductor Manufacturing Company Limited** (TSMC) as we continued to build our position. We believe that while there is near-term uncertainty due to tariffs, zooming out, TSMC's competitive positioning in leading-edge semiconductor manufacturing remains unmatched. We further believe that TSMC will benefit from a long duration of growth as the adoption of AI proliferates across industries. We also modestly added to our positions in **Block, Inc.** and **PDD Holdings Inc.**, as we believe both stocks offer a positively skewed risk versus reward equation at an attractive valuation with Block trading at a 12% current free-cash-flow yield and PDD trading at an 8x P/E (based on FactSet consensus next-12 months EPS). We also slightly added to our **Tesla, Inc.** position looking past the near-term uncertainty due to tariffs, since we believe the company is making significant progress in physical AI from autonomous driving to Humanoid robots.

Table VII.
Top net sales for the quarter ended March 31, 2025

	Quarter End Market Cap ($ billions)	Net Amount Sold ($ millions)
Cloudflare, Inc.	38.9	9.5
Shopify Inc.	123.6	6.0
argenx SE	36.0	4.5
Wix.com Ltd.	9.1	4.1
Coupang, Inc.	39.6	2.5

Outlook

"*Buy when there is blood in the streets, even if the blood is your own.*" – Baron Rothschild, the famous 19th century banker[5]

Despite the gory imagery this quote resonates with us two centuries later. Here is more contemporary wisdom from Ron Baron sent to all of our portfolio managers and research analysts after our most recent meeting:

"I don't expect anyone to have answers about tariffs, dollar weakness, recession, etc. We do expect all analysts and portfolio managers to be completely knowledgeable and up-to-date on current and most importantly long-term growth prospects for the businesses we own. Note long term. No one knows what will happen short term… and we should not be trying to take advantage of short-term volatility. Not what we do. The reason we have outperformed forever is because of our long- term focus on people and business fundamentals. MACRO had zero impact on our 43-year record. You got to remember John Lennon premise: 'in the end, everything will work out. And if it doesn't. It's not the end.' Nothing truer."

We could not agree more or say it better ourselves. Markets are always, ALWAYS driven by **fear**. It is fear of missing out (FOMO) that drives markets higher, and it is fear of losing money that drives markets lower. It is always fear that drives markets over the short term, but it is the fundamentals that drive wealth creation over time. Real big opportunities come when you are willing to invest when other people are not!

As we do every quarter, we analyzed the change in the weighted average multiple of the Fund and the weighted average change in consensus expectations for 2025 (for revenues, operating income, and operating margins). The Fund's weighted average multiple contracted by 10.2% during the first quarter. Since the Fund was down 9.4%, fundamentals improved slightly. Revenue expectations for 2025 increased by 0.6%, operating income expectations declined by 2.2% (if we exclude **Zomato**, which was an outlier with a 62% decline due to small numbers, operating income expectations declined by 0.1%) and operating margin expectations declined by 22bps (down by 9bps excluding Zomato). While fundamentals remained broadly stable during the first quarter, we do expect some cyclical deterioration starting with the second quarter due to the impact of the tariff announcements. That said, we continue to believe that we own the highest quality platform businesses that will likely emerge from this challenging and uncertain economic environment stronger than they were going into it.

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

5 https://www.forbes.com/2009/02/23/contrarian-markets-boeing-personal-finance_investopedia.html

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.

Alpha measures the difference between a fund's actual returns and its expected performance, given its level of risk as measured by beta. **Beta** explains common variation in stock returns due to different stock sensitivities to market or systematic risk that cannot be explained by the US Country factor. Positive exposure indicates high beta stock. Negative exposure indicates low beta stock. **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. **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).

RANDY GWIRTZMAN AND LAIRD BIEGER

PORTFOLIO MANAGERS

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

Dear Baron Discovery Fund Shareholder:

Performance

Baron Discovery Fund® (the Fund) was down 6.17% (Institutional Shares) in the quarter, which was 4.95% better than Russell 2000 Growth Index. The market started off the year strong but began fading in mid-February when it became clear that the Trump administration was serious about enacting tariffs, which the market views as inflationary and likely to slow economic growth. The market's decline accelerated after April 2nd when the actual tariff announcements were more sweeping than anticipated, leading to fears of a trade war and a global economic recession. While we are pleased with the relative outperformance during the quarter, we obviously are not happy with the overall direction of the market.

The question on everyone's mind following the recent sell-off in the market is "what happens from here?" Unfortunately, we don't have a great answer as these tariff announcements were just made and it is too early in the process with too many unknowns for us to assess their ultimate impact. That being said, market dislocations almost always allow us to find new investment opportunities. As long-term investors, our approach allows us to look through macroeconomic noise and focus on how our businesses can perform over a full economic cycle. We believe this market dislocation will be no different, and that many of the new investments we make today will be key contributors to helping the Fund outperform in the future.

Table I.
Performance†
Annualized for periods ended March 31, 2025

	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]	(6.23)%	(6.17)%	(11.12)%	(4.72)%
One Year	4.03%	4.34%	(4.86)%	7.22%
Three Years	0.95%	1.21%	0.78%	8.22%
Five Years	13.26%	13.56%	10.78%	18.18%
Ten Years	9.55%	9.83%	6.14%	11.80%
Since Inception (September 30, 2013) (Annualized)	11.56%	11.84%	7.14%	12.44%
Since Inception (September 30, 2013) (Cumulative)[3]	251.82%	262.25%	121.06%	284.97%

Investing in Reverse

Our investment process is designed to take advantage of market dislocations. We call this process "investing in reverse." What this process entails is sitting down with each sector analyst on the investment team and asking one simple question: "removing current valuation, what are the companies in your particular subsector that best fit the criteria we look for in an investment (typically fast growing, high margin businesses with favorable long-term prospects)?" Those conversations lead to a "shadow list" of potential investments that we would like to own if the companies sell at attractive valuation levels. We call it "investing in reverse" because the majority of investors start their investment process by screening for valuation first and then, after narrowing it down to a select group of companies, use certain quality metrics (revenue and earnings growth, operating margins, and balance sheet leverage) to determine which stocks they should consider investing in. We do the reverse. We screen for companies that hit our quality criteria first and then we patiently wait for their stocks to get to the point where we believe we can make outsized returns.

Performance listed in the above table is net of annual operating expenses. Annual expense ratio for the Retail Shares and Institutional Shares as of January 28, 2025 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.

This "shadow list" of ideas is constantly refreshed throughout the year. We track these companies closely. We listen to their earnings calls and meet with their management teams as frequently as possible. Because the companies are typically the fastest growing and have the highest margin, in a normal market environment these businesses trade at premium valuations that typically do not meet our investment return hurdle rate. During market dislocations, however, almost every stock trades lower. When the market "throws the baby out with the bathwater" we are poised to make investments that historically have produced some of our highest returns. If history is any guide, this current dislocation will do the same.

Table II.
Top contributors to performance for the quarter ended March 31, 2025

	Contribution to Return (%)
Inari Medical, Inc.	1.22
Tempus AI, Inc.	0.77
Kratos Defense & Security Solutions, Inc.	0.50
Reddit, Inc.	0.29
Axon Enterprise, Inc.	0.28

Inari Medical, Inc. offers catheter-based devices to remove clots from venous thromboembolism (VTE). VTE is the third most common vascular condition in the U.S. after heart attacks and strokes and can be fatal if left untreated. Shares contributed to performance after Inari was acquired by Stryker Corporation in February for a 48.5% premium to its prior trading price.

Tempus AI, Inc. is an intelligent diagnostics and health care data company with two synergistic business units: Genomics and Data. Although shares have been volatile since its June 2024 IPO, we attribute these fluctuations to trading dynamics that do not reflect Tempus' business fundamentals and have managed our position size accordingly, which was a key reason for the investment's contribution this quarter. In the long run, we expect the company's Genomics business (diagnostics for cancer treatment selection) to continue to grow rapidly as the market develops. The data generated from Tempus' diagnostic tests also enhances its Data business, as Tempus combines its genomics data with clinical patient data from its oncology partners, to generate an enormous proprietary multimodal dataset. We believe that no one will be able to replicate the breadth and depth of this dataset, given Tempus' enormous proprietary advantages. Tempus licenses its dataset to biopharmaceutical companies for use in designing smarter clinical trials and for identifying new drug targets.

Shares of **Kratos Defense & Security Solutions, Inc.**, a disruptive defense technology provider, rose following a strong quarterly earnings report that demonstrated notable strength across multiple segments and guided to faster than baseline growth in fiscal 2026. We believe Kratos is increasingly well positioned to accelerate growth with its exposure to what are arguably the fastest growing segments of the defense ecosystem, including hypersonic missiles, solid rocket motors, and unmanned aircraft solutions. The company is hitting its stride and is making huge investments now to satisfy what it believes to be very visible future demand.

Table III.
Top detractors from performance for the quarter ended March 31, 2025

	Contribution to Return (%)
Exact Sciences Corporation	–0.70
indie Semiconductor, Inc.	–0.52
Montrose Environmental Group, Inc.	–0.51
Chart Industries, Inc.	–0.50
PAR Technology Corporation	–0.42

Exact Sciences Corporation is a cancer diagnostics company. Its flagship product is Cologuard, a stool-based screening test for colorectal cancer (CRC). Shares detracted from performance in the quarter due to fears of competitive blood-based CRC tests which may launch in 2025. While these tests cost more than Cologuard, they are somewhat more convenient for patients. However, blood-based tests do not have the same level of pre-cancer sensitivity as Cologuard, and Cologuard is significantly better at detecting pre-cancerous growths called Advanced Adenoma. Moreover, Exact Sciences is developing its own blood-based tests that we anticipate will be as accurate as competitor tests but will cost significantly less than those tests as it uses a different type of analytics to get its results. So, either way, we believe Exact Sciences will win. It also has a huge channel presence in CRC which will enable it to be successful in both fecal and blood-based CRC testing. In addition, with 60 million Americans not receiving any CRC screening at all, there is ample opportunity for multiple players to win.

Indie Semiconductor, Inc. designs automotive semiconductors for advanced driver assistance (ADAS), in-cabin features, and other applications. Shares fell during the quarter on a miss in forward revenue guidance due to an inventory correction in the broader automotive semiconductor industry that was exacerbated by continued automotive macroeconomic uncertainty. We retain conviction. Revenue growth continued to outperform peers, and the company is winning new sockets in future platforms. Indie remains well positioned over the medium and long term, supported by its $7.1 billion strategic backlog and its radar, vision, and other programs that will ramp through 2025 and more meaningfully into 2026. We believe indie will return to outsized growth by the end of 2025 and will significantly outpace the broader industry on its path to $1 billion in revenue by the end of this decade supported by contract visibility. As its product mix shifts to ADAS, its margins should meaningfully improve as well.

Montrose Environmental Group, Inc., a leading environmental solutions company, detracted from performance during the quarter. This was due to concerns that the Environmental Protection Agency (EPA) under the Trump administration will reduce enforcement of environmental regulations that require the type of consulting, testing, remediation and monitoring that Montrose provides. We believe these concerns are misguided, and that given its current high single-digit multiple of cash flow, Montrose is hugely underpriced. Montrose's business is driven by state regulations as well as contaminants that have a long-regulated history with bipartisan support (including from the current EPA Administrator). Montrose has successfully grown through both Democratic and Republican administrations (including the first Trump administration), and the company believes the Trump administration's initiatives on cost efficiency, U.S. manufacturing, and domestic energy production could create large new opportunities for the company.

Portfolio Structure

Table IV.
Top 10 holdings as of March 31, 2025

	Year Acquired	Quarter End Investment Value ($ millions)	Percent of Net Assets (%)
Kratos Defense & Security Solutions, Inc.	2020	57.7	3.8
Exact Sciences Corporation	2024	49.0	3.3
Liberty Media Corporation - Liberty Live	2023	47.7	3.2
Guidewire Software, Inc.	2022	44.1	2.9
CyberArk Software Ltd.	2022	44.0	2.9
PAR Technology Corporation	2018	42.9	2.8
DraftKings Inc.	2023	41.0	2.7
Clearwater Analytics Holdings, Inc.	2021	40.2	2.7
Mercury Systems, Inc.	2015	39.7	2.6
Masimo Corporation	2024	39.2	2.6

Recent Activity

Table V.
Top net purchases for the quarter ended March 31, 2025

	Year Acquired	Quarter End Market Cap ($ billions)	Net Amount Purchased ($ millions)
Wingstop Inc.	2025	6.3	26.3
Karman Holdings Inc.	2025	4.4	26.0
Exact Sciences Corporation	2024	8.0	23.1
ServiceTitan, Inc.	2024	8.6	10.6
Inspire Medical Systems, Inc.	2024	4.7	9.8

During the quarter we "invested in reverse" and initiated a position in **Wingstop Inc.** Wingstop shares have recently underperformed, as following two straight years of very strong same-store sales growth, trends have returned to normalized levels. We took advantage of this opportunity to own this high-quality company at a compelling valuation relative to its growth and margin prospects.

Wingstop is a franchised limited-service restaurant company that serves cooked-to-order wings, tenders, and chicken sandwiches and is the leader within the popular chicken wing category. Wingstop restaurants operate on a relatively simple operating model of made to order chicken wings and sandwiches and the majority of its food is consumed off-premise, which allows for a smaller square footage store. The combination of a simple operating model and smaller stores provides an efficient model for franchisees with stores generating $2 million in revenue per store with restaurant level margins of around 25%. Additionally, new stores require a relatively modest initial investment of $500,000 which leads to best-in-class cash on cash returns in excess of 70% for franchisees.

Wingstop ended 2024 with over 2,500 global locations and we expect the company to grow units at a 10% compounded annual growth rate over the long term. Eventually, we see a path to 10,000 units globally, supported by the company's leadership in the wing category and strong unit economics as described above. We also expect Wingstop to be able to grow same-store sales in the mid-single-digit range as it invests in brand awareness campaigns, improves digital efficiency and ordering times, and expands its menu offering. The combination of 10%-plus unit growth and mid-single-digit same-store sales should lead to mid-teens revenue growth and high teens profit growth over the foreseeable future. We are also attracted to Wingstop's high margin, free-cash flow generative, asset light franchise business model.

Karman Holdings Inc. is a leading proprietary space and defense solutions provider. We initiated a position in February 2025 when the company executed its IPO. Formed via four key acquisitions by Dallas-based private equity firm, Thrive Capital, in the early 2020s, Karman has a management team with a strong mix of executive experience and technical, engineering talent.

Karman designs, tests, and manufactures mission-critical systems for existing and emerging missile and space programs, which are some of the growthiest and in-demand segments of the defense industry. Segments include Hypersonics & Strategic Missile Defense (33.2% of revenues), Space & Launch (33.3%), and Tactical Missile & Integrated Defense Systems (33.5%). Karman has become an outsourcer of choice for highly technical systems related to these programs. It has unique experience in complex/proprietary manufacturing methods, high end materials and composites, and system level design. Nearly 90% of Karman's sales are sole-sourced from the company, and 94% of its revenue is tied to proprietary IP-driven solutions (including patent protected technologies). The company's unique capabilities have allowed it to grow revenue organically at a low double-digit rate over time (with total growth including acquisitions at over 30%) with adjusted cash flow margins in excess of 30%.

We believe Karman can continue to expand its solution set over time and that it is poised to grow nicely over the next five years as it targets the priorities that are emerging in the new defense budget.

We initiated a small position in **Arcellx, Inc.**, a biotechnology company that together with Gilead Sciences, Inc. is developing a next-generation CAR-T cell therapy it calls "Anito-cel" for the treatment of multiple myeloma. While we generally do not invest in emerging biotechnology companies, we took a small position in Arcellx given that the market is large and proven (currently a $3.5 billion opportunity that could expand to $12 billion or more over time), and that we believe Arcellx has a safer CAR-T therapy than the currently approved solution. Moreover, the company has over $600 million of net cash on its balance sheet and a favorable manufacturing agreement with Gilead. We believe that this combination makes the company more than fully funded through profitability.

Multiple myeloma is relatively common blood cancer, and a number of different therapies are used to treat it. CAR-Ts are a one-and-done customized genetically engineered t-cell therapy. With this type of therapy, the hospital collects a patient's blood, sends it off for the T-cells to be engineered to attack a certain antigen that appears on cancer cells, and then these engineered CAR-T cells are reinfused back into the patient to attack the cancer cells. CAR-Ts have started to transform treatment modalities and appear to be the most efficacious treatment for multiple myeloma. A competitive treatment called Carvykti (developed by a partnership of Legend Biotech Corporation and Johnson & Johnson) has been launching rapidly in the second line (2L+) setting. Carvykti already has $1 billion in sales worldwide in 2024 (up more than 100% year over year). The issue with Carvykti is that although it's very efficacious, it appears to cause delayed neurotoxicity (neurological damage) in 5% to 10% of patients and in rare cases (2% or potentially higher) Parkinsons-like symptoms, which is devastating and uncurable. The promise of Arcellx's Anito-cel process is that it appears to have similar efficacy to Carvykti while avoiding these neurotoxicity risks. Beyond the safety differentiation, Arcellx is also partnered with Gilead, which gives them access to state-of-the-art manufacturing with faster turnaround times and more reliable manufacturing success rates, as well as Gilead's existing sales infrastructure for Yescarta (a CAR-T used to treat a different type of blood cancer).

Arcellx will present final data from its pivotal study in fourth line (4L+) multiple myeloma patients this year and we think this will be sufficient to file for FDA accelerated approval. It is also enrolling its phase 3 study in 2L+ multiple myeloma patients. We think a significant portion of the roughly 75,000 patients diagnosed with multiple myeloma each year in the U.S. and EU should receive a CAR-T over the course of their treatment, and that multiple myeloma CAR-Ts will ultimately be a $10 billion to $15 billion category. Based on our conversations with doctors, we think most doctors will seek out Arcellx's Anito-cel as the safer option for patients and we think Anito-cel will capture meaningful share of the market for multiple myeloma treatment.

Table VI.
Top net sales for the quarter ended March 31, 2025

	Year Acquired	Market Cap When Acquired ($ billions)	Quarter End Market Cap or Market Cap When Sold ($ billions)	Net Amount Sold ($ millions)
Inari Medical, Inc.	2020	2.0	4.7	61.2
Axon Enterprise, Inc.	2022	8.9	54.1	45.4
Reddit, Inc.	2024	8.0	37.1	25.0
Tempus AI, Inc.	2024	6.6	8.3	12.9
CyberArk Software Ltd.	2022	5.2	16.7	11.4

We exited our positions in **Reddit, Inc.** and **AAON, Inc.** as both stocks had exceeded our long-term price targets.

Inari Medical, Inc. was acquired by Stryker Corporation in February. We sold our investment in **ASGN Incorporated** as we grew concerned about the company's ability to continue to rapidly grow its IT consulting business in the current environment, and we believe that the placement side of the platform still faces meaningful cyclical and structural challenges. We sold our small position in **Maravai LifeSciences Holdings, Inc.** after it failed to gain traction on a turnaround geared toward replacing its dependence upon COVID vaccines.

We will miss our investment in **Axon Enterprise, Inc.** Axon is a truly fantastic company, with an incredible management team, and has been one of the best investments we have ever made. Our rationale in selling our investment was two-fold. First, we believed at the time we sold that valuation had exceeded our long-term estimates. Second, the company's market capitalization at over $50 billion had become too large for our small-cap mandate. The Fund's investors reaped huge returns from Axon. Our initial investment in January 2022 was made when the company traded at $128 per share, with our last sale at over $700 per share. This is exactly the type of company we want to find, and we believe it benefits our investors that we have the flexibility to hold companies even as they become mid-caps as long as the overall market cap in the Fund remains in the small-cap domain. Our work on this investment has also benefited other Baron Funds that continue to hold the investment, and we suspect that this will become an even larger company over time.

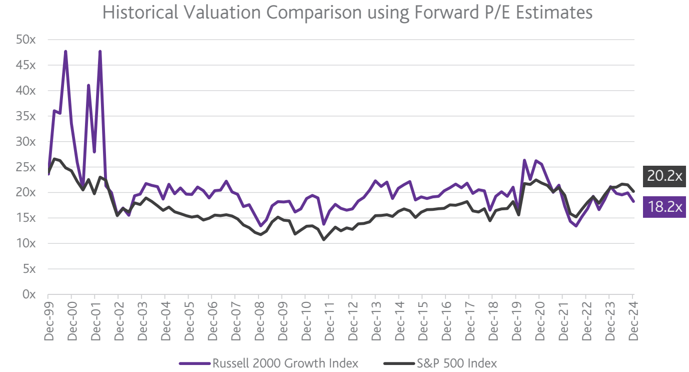
OUTLOOK

While there is currently a lot of macroeconomic noise, we will stay focused on investing for the long term. Market dislocations have historically created fantastic opportunities to invest in fast-growing companies with favorable long-term prospects. We anticipate being able to take advantage of the current market dislocation to make new investments at attractive long-term valuations. We look forward to updating you on these new and exciting investments over the coming couple of quarters.

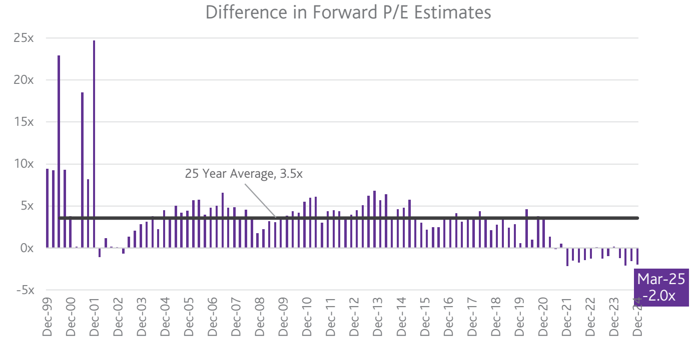
The case for small-cap growth stocks remains strong. As you can see in the charts below, valuations remain inexpensive and investor allocation to small cap growth is at the lowest levels in the last decade (a contrarian indicator). While we admittedly do not know when, we do believe these trends will revert to their long-term averages at some point in the future. When that happens, it will be a tailwind for the performance of small-cap growth stocks.

Russell 2000 Growth Index vs. S&P 500 Index

Historical Valuation Comparison using Forward P/E Estimates

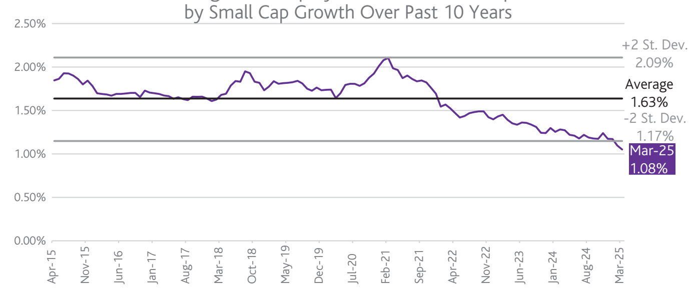


Difference in Forward P/E Estimates



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

Investor Allocation to Small Cap Growth the Lowest in Last Decade
Percentage of US Equity[1] Total Net Assets Captured
by Small Cap Growth Over Past 10 Years



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

Source: Morningstar Direct.

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.

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) declined 7.0% (Institutional Shares) during the first quarter, compared to the 4.3% decline for the S&P 500 Index (the Index), the Fund's benchmark.

Table I.
Performance
Annualized for periods ended March 31, 2025

	Baron Durable Advantage Fund Retail Shares[1,2]	Baron Durable Advantage Fund Institutional Shares[1,2]	S&P 500 Index[1]
Three Months[3]	(7.08)%	(7.02)%	(4.27)%
One Year	6.37%	6.63%	8.25%
Three Years	12.71%	12.98%	9.06%
Five Years	19.32%	19.60%	18.59%
Since Inception (December 29, 2017)	14.36%	14.63%	12.65%

ALEX UMANSKY
PORTFOLIO MANAGER

Retail Shares: BDAFX
Institutional Shares: BDAIX
R6 Shares: BDAUX

We were off to an excellent start to the year with the Fund posting a 4.4% gain for the month of January, which followed an exceptional run that saw the Fund post an 85% cumulative gain over the prior two years. This could only be characterized as a favorable investing environment with the Index advancing 2.8% in January, and 58% over the prior two years and the Morningstar Large Growth category reporting a January gain of 3.3% on top of the 74% cumulative gain in 2023 and 2024. Obviously, these were very strong returns for the Fund on both an absolute and relative basis. We believe, in no small part, these results were set up by a meaningful correction experienced by the market in 2022. While every correction, pullback, or bear market is different, at their core, they are always driven by fear, uncertainty, and doubt. It is easy and tempting to get lost in the details because they change every time, but *fundamentally, markets depend on stability and predictability*. Every time stability and predictability are threatened – markets pull back. In 2022, rapidly increasing inflation forced the Federal Reserve (the Fed) to aggressively raise interest rates. It destabilized the markets, created uncertainty in how much, how fast, and for how long, and most importantly, whether it would cause the U.S. economy to go into a (prolonged?) recession. It dramatically increased the range of possible outcomes – and the markets sold off. We are simplifying of course, but if we zoom out, from the 30,000 foot view – we believe this is right. In the second half of this quarter, investors realized that DOGE, tariffs, and this administration's policies in general, were going to be disruptive and unpredictable and that the range of possible outcomes was dramatically larger than what the investors were pricing in before – and the markets sold off. The Fund ended the quarter down 7.0%, while the Index declined 4.3% and the Morningstar Large Growth category was down 8.5%.[4]

From a performance attribution perspective, all of the relative underperformance can be attributed to poor stock selection in Health Care and Financials. In Health Care, our stocks did not fare badly per se, but lack of exposure to biotechnology, pharmaceuticals, and health care equipment (which were among the best performing sub-industries in the Index) hurt relative returns. In Financials, **Apollo**, **Blackstone**, and **Brookfield** all underperformed given their leverage to short-term cyclical market movements. Not having exposure to Energy, Utilities, and Materials accounted for approximately 30% of the relative shortfall. From the absolute return perspective, we simply did not have enough winners, which was not terribly surprising given the broad market sell-off in the second half of the quarter. The biggest absolute detractors were all members of the trillion dollar club: **Broadcom**, **Amazon**, **NVIDIA**, **Microsoft**, and **Alphabet**,

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 January 28, 2025 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.

4 As of 3/31/2025, the annualized returns of the Morningstar Large Growth Category were 5.01%, 16.99%, and 12.37% for the 1-year, 5-year, and since inception (12/29/2017) periods, respectively.

and we have a high degree of confidence that it will not result in permanent losses of capital.

We believe that the businesses we own are well positioned for a wide range of outcomes. This is not to suggest that they are immune from cyclical downturns or that we expect them to defy the economic forces of gravity. This is to say that as leaders of their industries they are likely to come out stronger should the current instability and uncertainty cause a more serious or prolonged downturn. Most of our companies are asset light. They do not sell physical goods. They sell critical services to their customers which are exempt from tariffs. Think cloud based software providers like Microsoft and **Intuit**, alternative asset managers like Apollo, Blackstone, and Brookfield, financial exchanges and data providers like **S&P Global**, **Moody's**, **CME**, and **MSCI**, or real estate data platform **CoStar**. Most of our companies are NOT significant importers and have limited direct exposure to tariffs. **Thermo Fisher**, **Danaher**, and **Mettler-Toledo** have some production outside the U.S. with limited exposure to China that has been declining steadily over the past few years. A significant portion of their revenue is derived from recurring sources (such as consumables) which increases switching costs and ensures pricing power. Speaking of pricing power, **Visa** and **Mastercard** operate in a duopoly market and since their fees are linked to the notional amounts charged that travel over their rails, they are excellent hedges against inflation. Many of our businesses have meaningful secular growth drivers that we believe will provide tailwinds for years to come. From AI enablers NVIDIA, **Taiwan Semiconductor**, Alphabet, Broadcom, and **Monolithic Power Systems** to senior housing provider, **Welltower**, that is benefiting from a structural shortage of premium senior housing facilities, to the alternative asset managers (mentioned above) that are consolidating and benefiting from increased allocations to alternatives. Finally, most of our businesses have fortress balance sheets and capital return programs that will benefit should they be able to buy back their stock at more attractive valuations. Having said all that…

We are preparing for a challenging year. The range of outcomes is as wide as we have seen in a long time and that means extreme market volatility is likely on tap. In fact, we have experienced it already. We want to remind investors that this Fund was designed with high volatility in mind. We are razor focused on minimizing the probability and the possibility of permanent losses of capital. However, we do not view our mission as outperforming a benchmark each quarter, or even every year. Were that the case, we would have a completely different approach to portfolio construction. It would also lead to exchanging opportunities to generate significant alpha over full market cycles for efforts to reduce the Fund's short-term volatility. An exchange we are not willing to make. *While past performance is no guarantee of future results*, we have built a solid track record of taking advantage of market opportunities. In 2018, the Fund's inaugural year, it posted a decline of 7.3%. In the next three years, the Fund rebounded with gains of 41.1%, 20.3%, and 32.2% (124.4% cumulatively, versus 100.4% for the Index). Then came a correction in 2022 with the Fund recording a 24.8% loss, which was followed by gains of 45.5% and 27.1% in the next two years (85.0% cumulatively, versus 57.9% for the Index). We do not have a crystal ball or any particular insight into how the economy and the markets will react to this current bout of fear, uncertainty, and doubt. Fear drives markets over the short term, but it is fundamentals that drive wealth creation over time. Really big opportunities come if you are willing to invest when other people are not!

We believe we have made sensible investments into companies where the reward far outweighs the risk. If we make good decisions, our process should lead to returns that exceed the Index over time, while exhibiting demonstrably less risk of permanent loss of capital.

Table II.
Top contributors to performance for the quarter ended March 31, 2025

	Quarter End Market Cap ($ billions)	Contribution to Return (%)
Visa Inc.	704.4	0.38
HEICO Corporation	32.4	0.32
Welltower Inc.	98.3	0.21
TransDigm Group Incorporated	77.6	0.18
CoStar Group, Inc.	33.4	0.18

Shares of global payment network, **Visa Inc.** rose 11.1% in the first quarter, after the company reported strong results with accelerating payment volumes. In the recent quarter, revenue grew 10% and EPS grew 14%, both of which exceeded Street expectations. Payment volume growth improved to 9% on a constant currency basis with a more meaningful acceleration in cross-border volume. Management reaffirmed annual guidance despite incremental currency headwinds. In addition, shares likely benefited from the relative stability of Visa's business model in a risk-off market. We continue to own shares due to Visa's durable growth characteristics and significant competitive advantages, operating in a duopoly market.

HEICO Corporation, a technology-driven aerospace, industrial, defense, and electronics company, contributed to performance in the quarter, with shares up 13.4% on the back of strong quarterly results with 15% year-on-year revenue growth, 22% EBITDA growth, and 46% EPS growth. On a segment basis, the electronic technologies segment, which had previously been affected by inventory-related headwinds, reported robust organic growth of 11% and 16% overall growth, signaling that the business was turning a corner. Similarly, the flight support group saw revenue growth of 13% on an organic basis and 15% overall. HEICO is also expected to benefit from an anticipated increase in defense spending, especially by European countries, to combat threats. The company could also benefit from DOGE-related initiatives to promote cost efficiencies, which aligns with HEICO's value proposition to customers. We continue to hold shares and believe the company would continue benefiting from durable growth and significant competitive advantages, compounding earnings in the mid-teens rate over the long term.

Welltower Inc. owns senior housing, life science, and medical office real estate properties. Shares increased 22.1% during the quarter on robust cash flow growth in its senior housing portfolio, driven by strong occupancy and rent growth, a strong 2025 growth outlook, and execution on highly accretive, proprietarily sourced capital deployment opportunities. We remain investors. We are optimistic about the prospects for both cyclical and secular growth in senior housing demand against a backdrop of muted supply. We view Welltower as a best-in-class operator with a high-quality curated portfolio and a management team of astute capital allocators who have demonstrated the ability to capitalize on both organic and inorganic growth opportunities over time.

Table III.
Top detractors from performance for the quarter ended March 31, 2025

	Quarter End Market Cap ($ billions)	Contribution to Return (%)
Broadcom Inc.	787.2	-1.31
Amazon.com, Inc.	2,016.3	-0.96
NVIDIA Corporation	2,644.5	-0.92
Microsoft Corporation	2,790.6	-0.77
Alphabet Inc.	1,894.5	-0.77

Broadcom Inc. is a leading fabless semiconductor and enterprise software company, with approximately 60% of revenue generated from semiconductors and 40% from software. The company is strategically positioned at the intersection of high-performance AI compute and networking infrastructure while also demonstrating disciplined execution in software, particularly following its VMware acquisition. Shares declined 27.5% largely due to investor concerns around the durability of AI cluster build outs by hyperscalers and AI labs, reflecting broader skepticism about the pace and sustainability of capex in AI infrastructure. We maintain conviction in the long-term thesis. Broadcom's three mega-cap customers remain on track, with robust roadmaps in place, including hardware design, compiler development, and the broader software stack necessary for scalable AI cluster architecture. We expect Broadcom to capture a majority share of the estimated $60 billion to $90 billion market across these engagements by fiscal 2027.

Amazon.com, Inc. is the world's largest retailer and cloud services provider. Shares declined 13.3% this quarter, following higher-than-expected 2025 capital expenditure guidance of $105 billion driven by AI. Shares also declined due to a broader technology sell-off driven by uncertainty around the timing and return on investment in AI as well as general macroeconomic concerns as investors awaited Liberation Day. Profitability across core North American retail, Amazon Web Services (AWS), and international retail continued to improve, driven by better cost discipline and operational optimizations. It was also another solid quarter for AWS as generative AI use cases are beginning to ramp. While we are monitoring progress across the cloud hyperscalers, we believe AWS will ultimately be competitive in generative AI, given its scale and technical infrastructure advantages. Longer term, Amazon has more room to grow in e-commerce, where it has less than 15% penetration. Amazon also remains the clear leader in the vast and growing cloud infrastructure market, with large opportunities in application software.

NVIDIA Corporation is a fabless semiconductor leader specializing in compute and networking platforms for accelerated computing. Its dominant position in AI infrastructure, with a comprehensive portfolio that spans GPUs, systems, software, and high-performance networking, has driven significant stock appreciation in an era of exponential AI demand. Despite strong quarterly financial results with 78% year-on-year revenue growth at a massive scale (revenue run rate is $160 billion), driven by 94% growth in datacenter revenues, shares fell 19.3% on investor concerns around the durability of compute infrastructure spending by hyperscalers and the leading AI labs, particularly in light of uncertain return on invested capital for frontier model development. We remain positive on NVIDIA's long-term trajectory. We believe scaling laws in AI will hold, enabling linear improvements in compute to drive super-linear gains in model performance and utility. As value creation increasingly accrues to model developers, their incentive to invest in advanced infrastructure should persist, anchoring NVIDIA's central role in the AI value chain. All the industries bottlenecked by intelligence will leverage AI, unlocking trillions of dollars in value. Most of these AI workloads will be supported by large language models running in the datacenters. NVIDIA is uniquely positioned to power this transformation through its full-stack approach, spanning silicon, systems, software, and developer ecosystem, and hence its competitive moat continues to widen.

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 March 31, 2025, our top 10 positions represented 50.6% of the Fund's net assets, the top 20 represented 79.8%, and we exited the quarter with 32 investments, down from 34 at the end of 2024. Financials and Information Technology represented 61.5% of the Fund, while Communication Services, Consumer Discretionary, Health Care, Industrials, and Real Estate represented another 37.0%, with the remainder held in Consumer Staples (Costco) and cash.

Table IV.
Top 10 holdings as of March 31, 2025

	Quarter End Market Cap ($ billions)	Quarter End Investment Value ($ millions)	Percent of Net Assets (%)
Meta Platforms, Inc.	1,460.3	32.9	7.4
Amazon.com, Inc.	2,016.3	30.8	6.9
Microsoft Corporation	2,790.6	30.5	6.8
Visa Inc.	704.4	21.9	4.9
NVIDIA Corporation	2,644.5	21.4	4.8
S&P Global Inc.	159.5	19.7	4.4
Taiwan Semiconductor Manufacturing Company Limited	861.0	18.9	4.2
Broadcom Inc.	787.2	17.2	3.9
Alphabet Inc.	1,894.5	17.0	3.8
Apollo Global Management, Inc.	78.1	15.3	3.4

Recent Activity

During the first quarter, we initiated a new position in the casual dining restaurant chain, **Texas Roadhouse**.

We also took advantage of stock market volatility to add to 6 existing investments: fabless semiconductor company **Monolithic Power Systems**, the independent broker dealer, **LPL**, the premium senior housing owner, **Welltower**, the tax and small business software provider, **Intuit**, the AI leader, **NVIDIA** and the derivatives marketplace, **CME**.

To finance these purchases, we exited three investments: **Adobe**, **Booz Allen**, and **Agilent**, and reduced 11 existing positions.

Table V.
Top net purchases for the quarter ended March 31, 2025

	Quarter End Market Cap ($ billions)	Net Amount Purchased ($ millions)
Monolithic Power Systems, Inc.	27.8	9.1
Texas Roadhouse, Inc.	11.1	6.5
LPL Financial Holdings Inc.	24.4	4.2
Welltower Inc.	98.3	4.1
Intuit Inc.	171.6	2.4

During the quarter, the Fund initiated a new position in the casual dining chain, **Texas Roadhouse, Inc.** The company and its franchisees operate 784 restaurants systemwide in 49 states and 10 foreign countries, including 722 Texas Roadhouse restaurants, 49 Bubba's 33 restaurants, and 13 Jaggers restaurants. Its main brand, Texas Roadhouse, is known for "Legendary Food, Legendary Service" and their operating strategy is designed to position each restaurant as the local hometown favorite for a broad segment of consumers seeking high quality, affordable meals served with friendly, attentive service. The company's competitive moat is multi-faceted. First, it has a unique incentive structure such that local restaurant operators are partners in the business via the Managing Partner program, under which restaurant managers put up their own capital as an investment and earn a base salary plus a percentage of the pre-tax profits of the restaurant they manage. Second, the company's operating strategy of high quality food at moderate price points, which are often lower than competitors, creates a sticky customer base and improves resiliency to more challenging economic environments. As a result of its differentiated Managing Partner program, lower price points, and higher quality, made-from-scratch food, the company has consistently gained market share from both larger and smaller chains.

We expect Texas Roadhouse to grow units at a mid-single-digit rate annually as they expand their core Texas Roadhouse brand to 1,000 units over time. We also expect the company to accelerate unit growth of its Bubba's 33 Restaurants. The company's growth profile is supported by strong unit economics as restaurants cost around $8 million to build with mature stores generating close to $8.5 million in revenues at over 17% restaurant-level margins on average. As a result, the company generates a very healthy ROI.

Compared to other discretionary businesses, Texas Roadhouse tends to do well in most macroeconomic environments and while restaurants in general are more resilient as compared to Consumer Discretionary more broadly, Texas Roadhouse tends to gain market share during more challenging times thanks to its lower price points. The company also has very limited direct exposure to tariffs.

We expect Texas Roadhouse to increase profits at a high single-digit to low double-digit rate annually as they carefully expand margins and leverage fixed costs in the business. Texas Roadhouse has a clean balance sheet, and it generates strong free cash flows. We expect shareholder returns to be further bolstered by dividends and share repurchases.

We took advantage of market volatility to add to several of our existing positions, with the largest addition to **Monolithic Power Systems, Inc.** (MPS). MPS is a high-performance fabless analog and power semiconductor company serving diverse end markets across the semiconductor industry. We took advantage of stock weakness to add to it in the quarter. Despite consistently growing 10% to 15% above the industry for many years, MPS is still a relatively small player in the broader analog and power management industries and leverages its deep system-level and applications knowledge, strong design expertise, and innovative process technologies to provide highly integrated, energy-efficient, cost effective, and easy-to-use monolithic products to its customers. The company continues to expand its addressable market and drive strong revenue growth by taking advantage of areas where competition fails to innovate, driving an even deeper integration of its products, including a greater emphasis on modules that further improve performance while increasing MPS's content. The company has several specific design wins that will drive revenue growth even in cyclical downturns, including in next-generation servers, automotive, and communications end markets. Management has executed at a high level, consistently outperforming their goals over time, recently reaching a $2 billion revenue run-rate, with eyes on a $4 billion business in the coming years (and even larger longer term). As customers continue to turn to MPS for its innovation and performance advantages, we believe the company will achieve its growth ambitions and become an increasingly important player in the power and analog semiconductor industry over time.

Our second largest addition during the quarter was to **LPL Financial Holdings Inc.** due to our growing conviction in LPL's growth profile and ability to continuously gain market share. LPL is the largest independent broker-dealer in the U.S., with $1.7 trillion in client assets as of the end of 2024. LPL is winning share due to its breadth of offerings and the range of affiliation models it provides. This is complemented by increasingly larger enterprise deals in which LPL wins a large pool of advisors and assets under management in bulk as companies outsource advisor technology and compliance to LPL. 2024 was marked by a $63 billion partnership with Prudential Advisors, the retail wealth management business of the insurance company, Prudential. LPL has augmented its organic growth with acquisitions, driving synergies by achieving better economics on cash balances and asset-based fees, while removing duplicative costs. LPL reinvests profits back into improving its advisor offerings, and with time, we believe this should make the firm a more attractive choice for a wider range of advisors. This in turn should lead to growth in net new assets and profits, creating a virtuous cycle. Our analysis of historic advisor turnover shows that this approach has worked well, as we believe that LPL has been the #1 destination for advisors in motion for at least the last three years. Looking forward, we believe that LPL will continue to be a share gainer. While asset-based fees and net new assets might be impacted negatively by the current market volatility, we believe that LPL remains competitively advantaged, and may even improve its positioning, offsetting some of those broader possible headwinds with better economics from its cash balances (which often rise during periods of uncertainty), which not all peers monetize to the same extent. As a result, we think that LPL remains a compelling investment over a long-term time horizon.

We continued to build our position in the premium senior housing provider, **Welltower Inc.**, which we believe offers both "offensive" and "defensive" investment attributes in the current uncertain environment. Given most of the company's cash flows are derived from senior housing, "defensive" characteristics are underpinned by a "needs based" service offering. Welltower owns senior housing properties in some of the best micro-markets with substantial pricing power given the company serves a higher net worth demographic. As we have articulated in the past, we remain 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 many years of compelling organic growth. Several of these characteristics were on display in the most recent quarter as Welltower continued to report above industry rent and occupancy growth. We regard management as highly astute capital allocators, which was further cemented with the recently announced C$4.6 billion acquisition of Amica, an ultra-luxury irreplaceable portfolio in Canada, which was accretive to existing shareholders, acquired well-below replacement cost and enhanced the overall quality of the portfolio.

We also added to the following names in the portfolio:

- Tax and small business software provider, **Intuit Inc.** – Intuit checks all the boxes we look for in an investment. It has durable competitive moats thanks to the breadth of its data, stickiness of its customers and the standardized nature of its software, an attractive business model with recurring revenues, high margins, and limited capital requirements, a durable runway for growth, and a great management team that in our view can execute on the vision over the long term. Stock volatility enabled us to add to this great business at a discount.
- The AI systems provider, **NVIDIA Corporation** – We attended the annual NVIDIA developer conference, GTC 2025, and came out with a greater conviction that AI is the biggest disruptive change we have seen in our careers. As models continue moving up and to the right on the intelligence curve, and down on the cost curve, new markets and opportunities open. We attended a discussion with Noam Brown from OpenAI, who described the progress and opportunity: *"The pace of progress has exceeded everyone's expectations in the last 5 years… we need to look at the trajectory. Have very good reasons to be optimistic. Need to think about it as intelligence per token… the intelligence versus the cost curve… as even the most expensive models are much cheaper than humans… and the top human expert in a field is paid a lot."* Jensen Huang, NVIDIA's founder and CEO, similarly described how the opportunity is in the trillions of dollars for NVIDIA, calling the DeepSeek development (which led to investor concerns that AI would not require as much compute as previously expected) *"profoundly misunderstood… as reasoning models require over 100x more compute than previously thought"*. NVIDIA's progress in AI across the stack, in hardware and software, and across industry domains remains unmatched. Similarly to how we were able to initiate a position in the company in late 2022, stock price volatility once again provided an opportunity for us to buy this remarkable business at a discount.
- The largest derivatives marketplace, **CME Group, Inc.** – We slightly added to our position in CME during the quarter. We believe that CME enjoys unmatched competitive positioning, operating the largest marketplace for derivatives in the world. The depth of its platform drives customer adoption, who in turn, bring liquidity to the marketplace, further improving its depth, creating a virtuous cycle that would be very hard for competitors to dislodge.

Table VI.
Top net sales for the quarter ended March 31, 2025

	Quarter End Market Cap or Market Cap When Sold ($ billions)	Net Amount Sold ($ millions)
Adobe Inc.	168.5	7.6
Booz Allen Hamilton Holding Corporation	13.3	6.1
Agilent Technologies, Inc.	35.1	4.4
Microsoft Corporation	2,790.6	2.6
Accenture plc	195.4	2.0

As mentioned above, we sold our holdings in **Adobe Inc.**, **Booz Allen Hamilton Holding Corporation**, **Agilent Technologies, Inc.**, as well as in 11 other existing investments, and reallocated to ideas that, in our view, have more positively skewed risk/reward for the long term.

Outlook

"*Buy when there is blood in the streets, even if the blood is your own.*" – Baron Rothschild, the famous 19th century banker[5]

Despite the gory imagery this quote resonates with us two centuries later. Here is more contemporary wisdom from Ron Baron sent to all of our portfolio managers and research analysts after our most recent meeting:

"I don't expect anyone to have answers about tariffs, dollar weakness, recession, etc. We do expect all analysts and portfolio managers to be completely knowledgeable and up to date on current and most importantly long-term growth prospects for the businesses we own. Note long term. No one knows what will happen short term … and we should not be trying to take advantage of short -term volatility. Not what we do. The reason we have outperformed forever is because of our long-term focus on people and business fundamentals. MACRO had Zero impact on our 43-year record. You got to remember John Lennon premise: 'in the end, everything will work out. And if it doesn't. It's not the end.' Nothing truer."

We could not agree more or say it better ourselves. We believe that this Fund offers investors the opportunity to take a long-term view without assuming significant risk of permanent loss of capital along the way. The Fund invests exclusively into high quality businesses. The weighted average company in the portfolio earned 7.5% higher operating margins than the weighted average company in the S&P 500 Index, while earnings per share grew about 4% faster[6]. During the last cyclical downturn with the fastest Fed hiking cycle in four decades, the weighted average company in our portfolio saw its revenue growth decelerate only slightly, from 15.1% 2022, to 14.7% growth in 2023[7]. Not surprisingly, our portfolio companies have also seen relative stability in their fundamentals to start this year, with revenue expectations for 2025 increasing by 0.7% during the first quarter[8], operating income expectations rising by 0.2%, and operating margins down just 14bps.

5 https://www.forbes.com/2009/02/23/contrarian-markets-boeing-personal-finance_investopedia.html
6 Historical 3-Year EPS growth for the Fund was 11.6% as of 3/31/2025, compared to 7.7% for the S&P 500 Index.
7 This was calculated based on portfolio weights as of 3/31/2025 to be representative of the resiliency of the current portfolio.
8 Based on the change in FactSet consensus estimates for our companies and applying a weighted average calculation using portfolio weights as of 3/31/2025.

The entirety of the Fund's drawdown in the March quarter was due to multiple contraction, which was down 8.4%[9], as opposed to any change in fundamentals – which are the more important driver for long-term returns. From a historical perspective, the weighted average multiple of the portfolio is now 11% below its average over the last 5 years[10].

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

9 Calculating the change in FactSet consensus P/E, P/FRE or P/FFO valuations (on next 12-months of EPS, Fee-Related-Earnings or Funds From Operations, depending on the holding – for most we used P/E. We used P/FRE for Blackstone and Apollo and P/FFO for Welltower) during the quarter, and applied a weighted average based on portfolio weights as of 3/31/2025.

10 Using a weighted average based on the weights as of 3/31/2025 to have a forward-looking view.

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.

Alpha measures the difference between a fund's actual returns and its expected performance, given its level of risk as measured by beta. 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. **Return on Invested Capital (ROIC)** is a calculation used to determine how well a company allocates its capital to profitable projects or investments.

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 Real Estate Income Fund

Dear Baron Real Estate Income Fund Shareholder:

Performance

In the first quarter of 2025, numerous stocks were sold, in some cases indiscriminately without regard to value, largely because of concerns about a slowdown in economic growth, still somewhat elevated inflation, and policymaking that is keeping businesses and consumers off balance. Baron Real Estate Income Fund® (the Fund) was not immune.

Table I.
Performance†
Annualized for periods ended March 31, 2025

	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]	(1.11)%	(0.98)%	0.76%	(4.27)%
One Year	13.67%	13.98%	8.98%	8.25%
Three Years	(0.16)%	0.09%	(1.77)%	9.06%
Five Years	12.59%	12.86%	10.04%	18.59%
Since Inception (12/29/2017) (Annualized)	8.81%	9.05%	4.49%	12.65%
Since Inception (12/29/2017) (Cumulative)[3]	84.42%	87.46%	37.46%	137.11%

The Fund's select REIT categories (data centers, office, and malls) and non-REIT cyclically oriented real estate-related holdings (travel-related and real asset alternative asset managers) weighed on first quarter performance. For our more complete thoughts on this topic please see the "Portfolio Construction" section later in this letter. In the first quarter, the Fund declined 0.98% (Institutional Shares), underperforming the MSCI US REIT Index (the REIT Index), which increased 0.76%.

So where does that leave us now?

We are cognizant that the economic outlook may deteriorate further in the months ahead, which could result in slower growth, higher inflation, and lower valuation multiples. Our real estate team remains razor focused on monitoring company-level developments and speaking to and meeting with management teams.

JEFFREY KOLITCH
PORTFOLIO MANAGER

Retail Shares: BRIFX
Institutional Shares: BRIIX
R6 Shares: BRIUX

We remain steadfast in our view that:

1. Investors should have exposure to public real estate.
2. Valuations are attractive.
3. Baron Real Estate Income Fund is a compelling real estate option for those seeking exposure to real estate.

For our more complete thoughts on "1" and "2" above, please see the following sections later in this letter: "Our current top-of-mind thoughts" and "Examples of best-in-class real estate companies that are attractively valued." For "3" above, we elaborate on the investment case for the Fund in the last section of this letter – "Concluding thoughts on the prospects for real estate and the Fund."

Despite the challenging first quarter, the Fund has maintained its strong long-term performance, and we are optimistic we will turn things around as we have done in the past.

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 April 26, 2024 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.

† 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 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.

Since inception on December 29, 2017, through December 31, 2024, the Fund's cumulative return of 87.46% was more than double that of the REIT Index, which increased 37.46%.

As of March 31, 2025, the Fund remains highly ranked by Morningstar for its performance:

- **#3 ranked real estate fund since the Fund's inception on December 29, 2017**

Notably, the only real estate fund that is ranked higher than the Fund since inception 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
- Examples of best-in-class REITs and non-REIT real estate companies that are attractively valued
- 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

OUR BOTTOM-LINE VIEW:

Though we are mindful of the reasons to be cautious, we believe return expectations for real estate and the Fund have become attractive. The sharp correction in several REIT and non-REIT real estate companies in the first quarter of 2025 (and early in April) has presented several highly compelling investment opportunities.

We remain convinced that investors should have exposure to public real estate.

The foundation for our constructive real estate outlook is based on the following considerations:

1. **Real estate should benefit from the eventual resumption of cyclical tailwinds of economic growth.**

Though the sequencing of the new administration's policies is likely to damper near-term economic growth (e.g., the implementation of higher tariffs, less immigration, and less fiscal support before the goal of introducing lower taxes, less regulation, lower fiscal deficits, and perhaps lower interest rates), we believe the cyclical tailwinds of economic growth will re-emerge.

As economic growth reaccelerates, we believe the Fund's portfolio of well-located real estate in supply constrained markets – multi-family, single family homes for rent and sale, industrial warehouses, senior housing facilities, hotels, offices, malls, and data centers – will benefit as demand, occupancy, rents, cash flow, and real estate values increase.

2. **Real estate is benefiting from secular tailwinds that should be enduring for years to come.**

- *Multi-family, single-family rental homes, and manufactured homes:* Affordability advantages versus the for-sale housing market
- *Industrial real estate:* The move to e-commerce and supply chain logistics
- *Senior housing facilities:* Aging baby boomers and the 80-plus population which are among the fastest growing aging groups
- *Hotels:* The increase in spending on travel as a percentage of wallet share
- *Data centers:* Rising data consumption, cloud computing, IT outsourcing, and AI

As of 3/31/2025, the Morningstar Real Estate Category consisted of 221, 213, 196, and 196 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 4th, 8th, 6th, 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 6th, 16th, 8th, and 3rd best performing share class in its Category, for the 1-, 3-, 5-year, and since inception periods, respectively.

As of 3/31/2025, Morningstar ranked Baron Real Estate Income Fund R6 Share Class in the 4th, 8th, 6th, 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 7th, 17th, 9th, and 4th best performing share class in its Category, for the 1-, 3-, 5-year, and since inception periods, respectively.

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.

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.

3. Investor sentiment is extremely poor.

Investor sentiment appears to have swung from overly optimistic at the beginning of 2025 to overly pessimistic today. In fact, short positioning in the broader equity markets is as high as it has been in years – larger than during COVID and larger than 2022 when the Federal Reserve (the Fed) embarked on an aggressive rate hike cycle. In the cycle of stock market emotions, we believe that the best time to buy stocks to help generate maximum returns occurs when sentiment is poor, although we cannot guarantee this will be the case.

4. Additional reasons to be optimistic.

- Demand conditions are mostly favorable against a backdrop of muted new real estate supply.
- Balance sheets are generally in solid shape.
- Debt capital is widely available.
- Substantial capital (private equity, sovereign wealth funds, pension funds, endowments, and others) is in pursuit of real estate ownership and may step in and capitalize on the opportunity to buy quality real estate at depressed prices. This "embedded put" should limit downside valuation and pricing.
- Much of public real estate has been re-priced for a higher cost of capital.
- There is the possibility that the Fed may lower interest rates in 2025 should economic growth deteriorate, unemployment increase, and/or inflation moderate. *Goldman Sachs* is now forecasting three consecutive interest rate cuts, beginning in July with the potential increase in the unemployment rate as the key justification for the rate cuts.

5. Valuations are reasonable (and, in some cases, cheap).

We believe the valuations of numerous REITs and non-REIT real estate-related companies are cheap relative to their historical valuations and future growth prospects. Please see "Examples of best-in-class real estate companies that are attractively valued" below.

6. The long-term case for real estate remains firmly in place.

Well-located and competitively advantaged real estate tends to offer partial inflation protection characteristics, diversification benefits versus equities and bonds, and strong long-term returns.

Examples of Best-in-Class Real Estate Companies That Are Attractively Valued

The Fund is chock full of best-in-class real estate companies that are *on sale* relative to history and relative to private real estate alternatives (even when factoring in the possibility of slower growth in 2025 and lower valuation multiples) and offer prospects for strong returns in the years ahead.

In our judgment, characteristics of a "best-in-class" real estate company are:

- Owns unique and well-located real estate assets in markets with high barriers to entry combined with attractive long-term demand demographics
- Enjoys strong long-term growth prospects together with a leading competitive position
- Maintains a conservative and liquid balance sheet
- Employs an intelligent and motivated management team that is an excellent allocator of capital and has interests aligned with shareholders

Examples of the Fund's best-in-class real estate companies that are attractively valued include:

REITs

Equinix, Inc. is the premier global carrier and cloud-neutral data center operator with 270 data centers in 74 metropolitan areas and 35 countries.

Equinix is currently valued at only 20 times 2025 estimated cash flow versus private market data center transactions that have occurred at 25 to 30 times cash flow. The shares are valued at a small premium to REITs, despite superior and more durable cash flow growth prospects.

American Tower Corporation is the leading global mobile tower operator with 150,000 sites globally, with demand underpinned by the increasing secular growth in mobile data.

American Tower currently trades at 20 times cash flow for high single-digit underlying growth, which is a 3 multiple point discount versus history and 1.5 multiple point discount to REITs broadly (which are growing mid-single digit and trading at 21.5 times cash flow) for more durable and secular growth.

Equity Residential is one of the largest U.S. apartment REITs with 80,000 high-quality apartment units concentrated in coastal markets with strong barriers to entry, compelling resident income/demographics, and high-cost home ownership. The company maintains a strong and liquid balance sheet.

It is valued at a 6.1% implied capitalization rate representing a discount to private market transactions in the high 4% to 5% capitalization range. At its public market implied valuation of only $410,000 per apartment, the shares are valued at a 20% discount to private market values and a much larger discount to replacement cost.

American Homes 4 Rent is the second largest single-family home rental company with a portfolio of 60,000 single-family homes available for rent located across a diverse set of more than 30 markets with attractive renter demographics via above average incomes and employment growth.

It is valued at an implied capitalization rate of 5.9% versus private market transactions in the 5% range. The public market implied valuation of its owned homes is only $320,000 per home versus the average cost of an existing single-family home in the U.S. of approximately $410,000.

Vornado Realty Trust owns a portfolio of premier office and street retail properties largely concentrated in New York City.

The company's implied cap rate for its New York City office portfolio is 10.5% and only $500 per square foot. The company's real estate portfolio is being valued at a meaningful discount to private market transactions at capitalization rates in the 5% to 6% range and replacement cost well more than $1,000 per square foot.

The Macerich Company is a REIT that owns a portfolio of exceptionally high-quality malls in the U.S. Under a new management team, the company is undergoing a business transformation to improve portfolio quality, growth potential, and balance sheet health, which we believe will ultimately translate into an improved valuation multiple for the company.

It is valued at less than 10 times forward earnings (Funds from Operations or FFO), on depressed earnings, which is a discount to its historical norm of 15 to 17 times FFO.

Independence Realty Trust, Inc. owns 33,000 apartment units that cater to a more affordable income demographic across the Sunbelt and Midwest markets.

It is valued at a 6.2% implied capitalization rate representing a discount to private market transactions in the high 4% to 5% capitalization range. At its public market implied valuation of only $200,000 per apartment, the shares are valued at a 25% discount to private market values.

Invitation Homes Inc. is the largest institutional owner of single-family rental homes with 110,000 owned and managed homes that are concentrated across high-growth markets and in-fill neighborhoods with access to good schools, transportation corridors, and robust employment opportunities.

It is valued at an implied capitalization rate of 6.0% versus private market transactions in the 5% range. The public market implied valuation of its owned homes is only $330,000 per home versus the average cost of an existing single-family home in the U.S. of approximately $410,000.

First Industrial Realty Trust, Inc. is an industrial REIT that owns a portfolio of bulk and regional warehouse properties.

It is valued at over an 8% capitalization rate based on stabilized cash flow, representing a discount to private market transactions in the low to mid-5% capitalization range.

Kilroy Realty Corporation is a REIT that owns a portfolio of high-quality office properties concentrated in U.S. West Coast markets including San Francisco, San Diego, Los Angeles, and Seattle.

It is valued at a 10% implied capitalization rate, representing a discount to private market transactions in the 5% to 6% capitalization range. The company also trades at a meaningful discount to certain publicly listed peers who trade at 6.5% to 7.5% capitalization rates, whereas Kilroy historically traded at similar valuations as these peers.

American Healthcare REIT, Inc. is a diversified health care REIT with over 25,000 beds catering to senior housing and related health care services. We believe the company is being painted with a "broad brush" given its different business segments across senior housing, medical office, skilled nursing, and triple net portfolio. We estimate the business is trading at a 25% discount to its *spot* sum-of-the-parts valuation with strong underlying prospects for future growth over the next several years.

Healthpeak Properties, Inc. is a health care REIT that owns a high quality portfolio of life science, medical office, and CCRC properties.

It is valued at a 7.4% implied capitalization rate, representing a discount to recent dispositions in the mid-6% capitalization range.

Simon Property Group, Inc. is a "blue chip" REIT that owns a large portfolio of highly productive malls and outlets in the U.S. and globally.

It is valued at 12 times FFO, which is a discount to its historical norm of 15 to 17 times.

Weyerhaeuser Company is one of the world's largest owners of timberlands with approximately 10.5 million acres in the U.S. and an additional 14 million acres that are licensed in Canada. It is also one of the largest manufacturers of wood products such as lumber, OSB, plywood, and other building materials that are used in new housing construction and repair and remodel projects. The company is currently trading at a 28% discount to NAV, which is well above its mid-teens historical average. At certain times in the past when the lumber and wood products markets have been especially strong, Weyerhaeuser has traded as high as a mid-teen *premium* to NAV (this last happened in the 2021 post-COVID housing boom). We believe support from recent lumber capacity curtailments, upward pricing momentum (from Canadian duties and potential tariffs), and an eventual pickup in new housing construction and repair and remodel activity could result in this type of attractive environment in the not-too-distant future.

Non-REIT Real Estate Companies

Wynn Resorts, Limited is the preeminent luxury global owner and operator of integrated resorts (hotels and casino resorts). We are bullish on the prospects for the company's development of the Wynn Al Marjan Island in the UAE (expected to open early in 2027). We believe the UAE is the most exciting new market for integrated resort developments in decades.

At its recent price of only $70 per share, the shares are valued at less than 7.2 times 2025 estimated cash flow versus a long-term average multiple of 13 to 15 times cash flow. We believe Wynn is trading at an unrealistic discounted multiple with very little value being ascribed to Wynn's Macau operating assets and its UAE development project Wynn's management agrees as they have been buying back shares as has Tilman Fertitta, a highly successful hotel, casino, and entertainment executive, who has acquired more than $1 billion of Wynn shares and is now the largest shareholder of Wynn with a 12% stake in the company.

Brookfield Corporation is a leading global owner and operator of real assets such as real estate and infrastructure. We believe the company's global reach, capital, and the synergies among its businesses provide significant opportunities for growth.

At its recent price of only $46 per share, we believe the shares are unsustainably cheap. Brookfield's management team, who in our opinion is credible and conservative, believes the company is worth $100 per share today and believes the shares will reach $176 in five years.

GDS Holdings Limited is a leading data center operator in Tier 1 cities in China as well as a growing Pan-Asia data center platform. At its recent price of $20, the company's China data center business is valued at less than 7.5 times 2026 estimated cash flow versus global data center peers that are valued at more than 20 times cash flow. Furthermore, the company illustrated embedded value by recently selling assets with limited future growth in a REIT transaction to one of China's largest insurance companies at 13.5 times cash flow. We believe the company will carry out several more of these transactions. Applying a similar multiple to the balance of the business (with much higher growth), we believe the shares are worth $60-plus over the next two years or approximately 200% upside. Should valuation improve slightly, we believe there is even further potential upside beyond this.

Portfolio Composition

As of March 31, 2025, we invested the Fund's net assets as follows: REITs (84.3%), non-REIT real estate companies (9.1%), and cash and cash equivalents (6.5%). We currently have investments in 12 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 March 31, 2025

		Percent of Net Assets (%)
REITs		84.3
Health Care REITs	18.4	
Wireless Tower REITs	14.6	
Industrial REITs	14.4	
Multi-Family REITs	11.6	
Single-Family Rental REITs	5.5	
Mall REITs	4.5	
Data Center REITs	4.1	
Office REITs	3.5	
Timber REITs	3.0	
Triple Net REITs	2.5	
Self-Storage REITs	1.5	
Mortgage REITs	0.6	
Non-REIT Real Estate Companies		9.1
Cash and Cash Equivalents		6.5
Total		**100.0***

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

Notable changes to the Fund's portfolio since December 31, 2024

We were busy managing the Fund in the first quarter of 2025.

Increases: We significantly increased the Fund's allocation to wireless tower and industrial REITs. We modestly increased the Fund's already large allocation to health care REITs. We added to the Fund's allocation to single-family rental REITs and timber REIT, **Weyerhaeuser Company**. We initiated a position in self-storage REIT, **Extra Space Storage Inc.**

Decreases: We sourced the first quarter increases in the Fund with decreases to the Fund's positions in the following REIT categories: data centers, office, malls, hotels, and multi-family. We also decreased the Fund's exposure to non-REIT real estate-related companies.

An explanation of the changes in each of the REIT categories and the non-REIT real estate-related portion of the Fund can be found below.

Summary REIT and Non-REIT Category Commentary

Health Care REITs (18.4%)

- **We maintain a favorable view of the multi-year prospects for senior housing** and remain bullish on the outlook for **Welltower Inc., Ventas, Inc.,** and **American Healthcare REIT, Inc.**
- Following our purchases in the first quarter (an increase in the Fund's allocation to health care REITs from 15.6% to 18.4%), health care REITs are the Fund's largest REIT allocation.
- 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 elevated construction costs. The long-term demand outlook remains 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) have largely abated, 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.**

Wireless Tower REITs (14.6%)

- **We have been tactically cautious on wireless tower REITs beginning in late 2022, 2023, and for much of 2024** given our expectation of forthcoming headwinds that would weigh on bottom-line earnings growth while the stocks were still trading at premium valuation levels and market expectations remained elevated. We concluded the risk/reward setup was poor and exited the stocks despite having a favorable outlook on the underlying tower business models and returns on capital the companies can generate. These unfavorable developments materialized, and growth fell sharply. Headwinds included significantly higher financing costs for upcoming debt maturities, dampened growth in certain geographic markets, foreign exchange instability, and a reduction in mobile carrier activity from elevated levels after the initial 5G spectrum deployment period.
- **We have maintained our long-term optimism for tower companies, particularly American Tower Corporation, and indicated that we may reacquire wireless tower shares should valuations become more attractive given the compelling long-term secular growth prospects. In the first quarter, we reacquired shares in American Tower (please see "Top net purchases" for a more detailed discussion on this purchase), and acquired shares in SBA Communications Corp. and Crown Castle Inc.**

Industrial REITs (14.4%)

- **For the last year, we had been cautious on business prospects for industrial REITs** due to demand normalization to pre-pandemic levels (elongated corporate decision making), elevated supply deliveries in the first half of 2024, moderating rent growth in certain geographic markets, inventory de-stocking, driving less need for warehousing space shorter term, and pricey headline valuations relative to other REIT categories.
- **We also reaffirmed that we are long-term bullish on industrial REITs and indicated that we may become more positive on the group at some point in 2025. This positive inflection occurred in the first quarter when we re-acquired shares in Prologis, Inc., EastGroup Properties, Inc.,** and **First Industrial Realty Trust, Inc.**
- For our more complete thoughts on industrial REITs and our first quarter purchases, please see "Top net purchases" later in this letter.

Multi-Family REITs (11.6%)

- **We remain optimistic** due to the rental affordability advantages versus for-sale housing (move-outs to buy remain at all-time lows), an attractive supply outlook in 2025 to 2027, the benefits of a partial inflation hedge given annual leases, strong rent-to-income ratios from a well-employed renter demographic, and public market valuation discounts relative to private market valuations.

Single-Family Rental REITs (5.5%)

- Though we **have been cautious in part due to the onset of elevated supply in a few key geographic markets, we increased the Fund's exposure to single-family rental REITs because valuations became more compelling as the shares underperformed and we remain long-term bullish** on single-family rentals due to favorable demand/supply prospects, homeownership affordability challenges, and tenants' desire for flexibility afforded with a "mortgage-free" lifestyle. These multi-faceted tailwinds should lead to strong long-term rent growth prospects and the continued ability of landlords to increase rents.

Mall REITs (4.5%)

- Though **we lowered our allocation to mall REITs following strong 2024 share price performance for both The Macerich Company and Simon Property Group, Inc., we remain optimistic about the prospects for both mall companies.** The fundamental backdrop for high-quality mall and outlet real estate remains favorable: (i) tenant demand remains robust; (ii) there is a shortage of desirable retail space (occupancy is high and there is a dearth of new mall developments); (iii) the favorable demand/supply imbalance is enabling landlords to raise rents; and, (iv) valuations are attractive.
- We continue to be optimistic about the two-to-three-year prospects for the shares of Macerich following the appointment of highly regarded CEO Jackson Hsieh who came in as an outsider and is taking a highly analytical review of the company's real estate portfolio with "fresh eyes." We believe he will unlock significant "hidden value" in the company by selling non-core properties and repaying debt.

Data Center REITs (4.1%)

- Following strong share price performance in the last few years, **we decreased the Fund's large allocation to data center REITs Equinix, Inc. and Digital Realty Trust, Inc. (and non-REIT data center company GDS Holdings Limited)** due to elevated valuations and investor expectations alongside evolving concerns for the broader data center sector (e.g., Microsoft cancelling select leases, press releases announcing tens of billions of dollars earmarked for new development, lower cost AI models like DeepSeek potentially changing capital investment plans or, most recently, the Chairman of Alibaba raising red flags about speculative data center development globally).
- **We maintain conviction in the multi-year favorable prospects for data centers**. Data center landlords such as Equinix and Digital Realty are benefiting from record low vacancy, demand outpacing supply, more constrained power availability, rising rental rates, and significant levels of pre-leasing before capital is spent for larger footprint data centers (had not been the case historically). 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. We are just beginning to see early signs of enterprise AI adoption, which could be further unlocked with costs coming down.
- Please see "Top detractors" and "Top net sales" for our more complete thoughts on data centers.

Office REITs (3.5%)

- We are **selectively bullish on office REITs**. While we have remained generally cautious on broader office real estate for several years due to both cyclical and secular headwinds that we expected would persist, we have been able to identify certain geographic markets (New York City) and other well-located, high quality portfolios of modern office properties (New York City and parts of the West Coast) that we believe are poised to gain market share and outperform as market conditions improve. We believe there is a segment of office REITs that is trading at a significant discount to both the private market value and the replacement cost of their respective portfolios, while also trading at a meaningful discount relative to certain publicly traded peers. In the first quarter, however, **we lowered the Fund's investment in New York centric Vornado Realty Trust following the 35% gain in its shares in 2024 and the Fund's investment in West coast centric Kilroy Realty Corporation given our expectation for a slower than expected recovery in business fundamentals.**

Timber REITs (3.0%)

- **We increased the Fund's exposure to timber REIT, Weyerhaeuser Company**, in the first quarter of 2025. **We are optimistic about the near-term prospects for timber REITs and have a favorable view of Weyerhaeuser.** Weyerhaeuser is one of the world's largest owners of timberlands and one of the largest manufacturers of wood products such as lumber, OSB, plywood, and other building materials that are used in new housing construction and repair and remodel projects. The company is currently trading at a mid-20% discount to its net asset value, which is well above its historical average. Weyerhaeuser's stock price typically tracks the price of lumber, and at certain times in the past when lumber and wood products markets have been especially strong, it has traded as high as a mid-teen *premium* to NAV (this last happened in the 2021 post-COVID housing boom). We believe there are several factors that now support potentially higher lumber and wood products prices that could result in this type of attractive environment in the not-too-distant future. Beginning in the third quarter of last year, approximately 10% of U.S. lumber capacity was curtailed, which reduced the supply of lumber that is being produced. Additionally, duties on the 25% of lumber that is imported from Canada into the U.S. are set to rise from 14% to 30% to 35% this coming fall, which would likely support higher lumber prices as well. While lumber appears to be exempt from tariffs for now, additional trade restrictions are still possible and would be on top of the higher Canadian duties. Finally, any pickup in repair and remodel activity and new housing construction would represent an increase in demand and further support higher lumber prices.

Triple Net REITs (2.5%)

- **We remain 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. Agree Realty is a founder-led firm with insider ownership and shareholder interests aligned. We believe Agree Realty could be an outsized beneficiary of a decline in interest rates given its ability to drive earnings growth via accretive acquisitions and the long duration nature of its cash flows.

Self-Storage REITs (1.5%)

- **We have been cautious on self-storage REITs due to a two-year period of flat to negative growth**.
- **In the first quarter, we became incrementally bullish with our recent purchase of self-storage REIT, Extra Space Storage Inc.**
- Based on our due diligence, we concluded that a positive fundamental inflection is on the horizon for self-storage REITs and growth may reaccelerate in 2026. Long-term, we believe self-storage is a highly attractive business and will elaborate on our views in future shareholder letters.

Mortgage REITs (0.6%)

- Following an encouraging meeting with the management team of **Blackstone Mortgage Trust, Inc.**, we began to acquire shares in this commercial mortgage REIT that is focused on real estate credit investments in North America and Europe. We believe the company benefits from several favorable attributes including its sponsorship by Blackstone Inc., the largest owner of commercial real estate globally, the company's global platform which provides access to a global pipeline of real estate credit, and the company's strong and liquid balance sheet. We will elaborate on the Fund's investment in Blackstone Mortgage Trust in future shareholder letters.

Non-REIT Real Estate Companies (9.1%)

- 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. Though we decreased the Fund's non-REIT holdings in the most recent quarter by trimming the Fund's exposure to **GDS Holdings Limited** (see "Top net sales" for more on GDS) and making additional adjustments, we remain optimistic about the Fund's prospects for its non-REIT real estate holdings.

Top Contributors and Detractors to Performance

Table III.
Top contributors to performance for the quarter ended March 31, 2025

	Quarter End Market Cap ($ billions)	Contribution to Return (%)
Welltower Inc.	98.3	1.84
American Tower Corporation	101.7	0.92
Ventas, Inc.	30.1	0.63
Independence Realty Trust, Inc.	4.9	0.26
GDS Holdings Limited	4.9	0.25

Shares of **Welltower Inc.** continued to significantly outperform both the REIT and broader equity indices. We believe Welltower offers both "offensive" and "defensive" investment attributes in the current uncertain macroenvironment. Welltower is an operator of senior housing, life science, and medical office real estate properties. Given most of the company's cash flows are derived from senior housing, "defensive" characteristics are underpinned by a "needs based" service offering. Welltower owns senior housing properties in some of the best micro-markets with substantial pricing power given the company serves a higher net worth demographic.

As we have articulated in the past, we remain 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 many years of compelling organic growth. Several of these characteristics were on display in the most recent quarter as Welltower continued to report above industry rent and occupancy growth. We regard management as highly astute capital allocators, which was further cemented with the recently announced C$4.6 billion acquisition of Amica, an ultra-luxury irreplaceable portfolio in Canada, which was accretive to existing shareholders, acquired well-below replacement cost, and enhanced the overall quality of the portfolio.

Shares of **American Tower Corporation** performed well in the quarter due to accelerating carrier bookings activity and management's solid outlook for underlying 2025 financials. Once the broader market processed the 2025 outlook, which admittedly had several moving pieces, investors concluded that the prospects for the "clean" American Tower post its exit of India and capital allocation prioritization into developed markets would position the company to drive highly predictable and recurring earnings growth with less volatility going forward. We agree – please see our "Top net purchases" section for further thoughts on American Tower.

Shares of **Ventas, Inc.**, a senior housing focused health care REIT, performed well in the quarter due to robust top-line and occupancy growth, margin expansion, and a strong 2025 initial outlook. The company also demonstrated progress toward accelerating accretive external growth ($1.4 billion in the fourth quarter of 2024 alone versus $2 billion for the full year 2024) and articulated a growing opportunity going forward. Ventas owns a more than $30 billion portfolio across senior housing, medical office, hospitals, and life science properties.

Table IV.
Top detractors from performance for the quarter ended March 31, 2025

	Quarter End Market Cap or Market Cap When Sold ($ billions)	Contribution to Return (%)
Equinix, Inc.	79.4	–0.92
Digital Realty Trust, Inc.	49.2	–0.74
Vornado Realty Trust	7.1	–0.60
Wyndham Hotels & Resorts, Inc.	7.1	–0.53
Kilroy Realty Corporation	3.9	–0.53

Over the last few years, we have relayed our optimism for data centers over a multi-year period given secular growth, favorable supply/demand dynamics, continued pricing power driven by low vacancy, limitations on available power infrastructure and highly attractive returns on capital.

Our views became more tempered in early 2025 as our multi-year investment thesis was pulled forward over a much shorter time horizon, valuation levels of public data center stocks became stretched on an absolute and relative basis, and we were identifying superior risk/reward opportunities in other sectors/companies where valuation was still depressed, and growth was inflecting. We acknowledge there is a lot of "noise" in the market. Not a week went by in the first quarter of 2025 when we didn't read about evolving concerns for the data center sector broadly – whether it was Microsoft cancelling select leases, press releases announcing tens of billions of dollars earmarked for new development (including the $500 billion Stargate project), lower cost AI models like DeepSeek potentially changing capital investment plans or, most recently, the Chairman of Alibaba raising red flags about speculative data center development globally. While we can debate what is "signal" versus "noise," the cumulative developments certainly did not help investor sentiment on the sector that was trading at a premium valuation. Most importantly, we do not base any of our investment decisions on headlines, but rather a rigorous assessment of business fundamentals (in addition to forming a mosaic of key learnings from our industry contacts), absolute and relative valuation levels, risk/reward skew, and potential alternative investment opportunities. We are never ostriches with our heads in the sand, nor are we sitting ducks ignorant of the forthcoming rifle shot.

In the most recent quarter, shares of **Equinix, Inc.**, the premier global operator of network-dense, carrier-neutral data centers, declined following two years of robust absolute and relative performance. Underperformance was driven by discrete earnings headwinds that dampened reported growth, normalization of valuation levels, evolving concerns of customer bookings trajectory given the uncertain macroenvironment and signs of a "pause" in certain customers' underlying new business trends (e.g. bookings for enterprise software companies).

Global data center REIT **Digital Realty Trust, Inc.** also detracted from performance in the quarter due to normalization of valuation from outsized absolute and relative levels, lower new bookings from an elevated high water mark achieved in 2024, and a more tempered outlook for the continued need of outsized capital investment spend from the global cloud providers on the back of the AI wave (i.e., digestion period). In addition, Microsoft, a top customer of Digital Realty's at over 10% of annualized rent, was rumored to be incrementally cancelling certain leases it had signed globally. While this was not specific to Digital Realty given the company's iron-clad lease agreements and likely included Microsoft specific considerations (e.g. capacity for Azure cloud versus incremental capacity earmarked for OpenAI), this development surfaced questions about the level of future incremental demand.

Following a 35% increase in its stock in 2024, the shares of **Vornado Realty Trust,** a REIT that owns a portfolio of premier office and street retail properties concentrated in New York City, declined in the first quarter. We chose to book profits and reallocated capital to other REIT segments that did not perform well last year. We suspect the market is also waiting for the expected positive inflection in earnings which may occur later in 2026 and 2027.

We remain optimistic about our investment in Vornado because office leasing activity has improved in New York City, prospects are bright for the company's PENN 2 redevelopment project, buyer interest in best-in-class street retail properties in New York City (17% of total cash flow) has improved, and management is well positioned to capitalize on any distressed real estate opportunities that may arise given its strong balance sheet and liquidity position.

Recent Activity

Table V.
Top net purchases for the quarter ended March 31, 2025

	Quarter End Market Cap ($ billions)	Net Amount Purchased ($ millions)
American Tower Corporation	101.7	21.2
Prologis, Inc.	106.1	19.3
EastGroup Properties, Inc.	9.2	9.8
Weyerhaeuser Company	21.3	6.1
Crown Castle Inc.	45.4	5.8

In our prior quarterly letter, we articulated that while we had exited our investment in **American Tower Corporation** in 2024 due to fair to full valuation relative to the company's growth prospects, we may look to reacquire shares in the future due to our favorable view of the business model, secular growth, and superior management team. The opportunity presented itself sooner than we had anticipated. We re-acquired shares of American Tower in the first quarter at more attractive valuation levels combined with higher earnings visibility.

American Tower is a global owner of 150,000 wireless tower communication sites with a heavy emphasis on developed markets. We remain optimistic about the long-term growth prospects for American Tower given strong secular growth expectations for mobile data usage, 5G spectrum deployment and network densification (with 6G around the corner), edge computing (possible requirement of mini data centers next to a tower presents an additional revenue opportunity), and growth in connected IoT devices (e.g. homes and cars), which will require more wireless bandwidth usage and continued increased spending by the mobile carriers. In our view, shares of American Tower remain attractively valued on an absolute basis and relative to other data infrastructure companies, bookings activity is accelerating, and we believe the company will be able to deliver underlying per share organic earnings growth in the high single-digit range (with upside optionality through capital allocation opportunities such as share repurchases).

During the quarter we re-acquired shares of two best-in-class industrial REITs: **Prologis, Inc.** and **EastGroup Properties, Inc.**

For the last year we have been cautious on industrial REITs, as the companies were facing several near-term headwinds that included demand normalizing to pre-pandemic levels (elongated corporate decision making), elevated supply deliveries in 2024, moderating rent growth in most geographic markets, inventory de-stocking, and pricey headline valuations relative to other REIT categories. As we noted at the time, we were likely to revisit industrial REITs at a later point given our optimism on the multi-year prospects for industrial REITs. Our optimism remains predicated on a compelling multi-year outlook for demand/supply/rent growth, significant embedded growth potential from in-place rents that are generally 30% below market rents, and several secular demand tailwinds (e-commerce, supply chain logistics, more inventory safety stock, near-shoring/onshoring).

We began re-acquiring shares for four reasons. First, we recently observed a notable pick up in leasing activity, which gave us confidence that the industry is on better footing than one year ago. Second, we are encouraged by the sharp decline in supply deliveries forecast for 2025 (down 50-75% year-over-year). Third, we expect that improved demand and supply can support stabilizing rents in most markets over the next year. Fourth, valuation multiples for industrial REITs screened more favorable following a recent correction in their share prices.

Prologis owns a high-quality real estate portfolio that is concentrated in major global trade markets and large population centers across the Americas, Europe, and Asia. It has an unmatched global platform, strong competitive advantages (scale, data, and technology), an exceptional management team, and attractive embedded growth prospects. We continue to believe the appreciation potential for Prologis' shares remains compelling given that the company's rents on its in-place leases are more than 40% below current market rents, thus providing a strong runway for cash flow and earnings growth in the next several years.

EastGroup is a leading developer, acquirer, and operator of industrial properties in major Sunbelt markets throughout the U.S. The company has assembled a high-quality portfolio of smaller, "shallow bay" properties that benefit from diverse demand drivers and more muted supply growth. We believe in-place rents remain well below current market rents, thereby providing visibility into strong embedded growth potential. Management has a strong track record of deploying capital accretively through a captive development pipeline and select acquisitions.

Table VI.
Top net sales for the quarter ended March 31, 2025

	Quarter End Market Cap or Market Cap When Sold ($ billions)	Net Amount Sold ($ millions)
Equinix, Inc.	79.4	9.9
GDS Holdings Limited	4.9	8.3
Digital Realty Trust, Inc.	49.2	6.4
The Macerich Company	4.3	5.4
Park Hotels & Resorts Inc.	2.7	4.4

We continued to actively manage the portfolio and materially reduced our investment in data center companies **Equinix, Inc.** and **Digital Realty Trust, Inc**. due to company specific reasons in combination with reallocating capital to companies/sectors with more attractive investment prospects.

In the most recent quarter, we reduced the Fund's exposure to Equinix. While we remain optimistic about the company's ability to drive outsized bottom-line earnings growth through a combination of sales growth and operating leverage flow-through, the stock enjoyed two years of superior performance and valuation levels were no longer as compelling as other investment ideas we were surfacing. We may look to revisit the sizing of our investment should valuation levels relative to growth prospects become more attractive. Equinix is a blue chip data center operator with strong pricing power and the ability to drive outsized returns on capital.

The Fund also decreased its investment in Digital Realty. As discussed earlier, our views on the risk/reward opportunity for the shares became more tempered early in 2025 due to an outsized valuation premium (sector leading both on historical basis and absolute level) combined with concerns regarding slowing demand from all-time highs, especially for larger footprint incremental new leasing. While we do not foresee a risk to bottom-line earnings over the next two years, the shares were pricing in elevated levels of new leasing, which we do not believe is sustainable. At recent trading levels, shares of Digital Realty have become more attractively valued and we may revisit our investment in the coming quarters. As always, we will review our investment through the lens of our capital allocation framework of identifying companies with the best risk-adjusted return prospects.

We first began to acquire shares of **GDS Holdings Limited** in early 2024 between $6 and $9 per share and continued to acquire shares as we got further proof points that our investment thesis was progressing. The stock closed out 2024 at $24 per share, representing a full year return of nearly 250%! While we remain optimistic regarding the multi-year growth prospects for the company and stock, we reduced our position due to risk management considerations given our investment in GDS grew to be an outsized position in the portfolio combined with several "needle moving" elements of our investment thesis playing out in a condensed timeframe. We always remain cognizant of the "unknowns" or risks that are harder to underwrite such as evolving geopolitical tensions, including the potential implementation of further restrictions to servers/chips, which is a consideration that informs position sizing despite the highly compelling risk/reward opportunity. While we don't conflate price volatility with risk, other considerations include still elevated debt levels to drive continued equity volatility, potential competition in international markets over the next few years, and the possibility for external capital needs to execute on a higher growth (and higher capex) business plan. That said, shares remain compelling at approximately 10 times cash flow when adjusting for the company's now minority stake in GDS International (renamed DayOne) versus REIT transactions in China at 13 to 15 times cash flows. Please refer to our third quarter 2024 shareholder letter where we lay out our investment case in greater detail.

Concluding Thoughts on the Prospects for Real Estate and the Fund

We are mindful that the equity market environment may remain challenging in the months ahead given that economic growth is slowing, inflation is likely to increase on the heels of the implementation of tariffs, and consumer and corporate confidence is waning. In our view, however, a portion of these concerns are reflected in current share prices, and we are identifying attractively valued best-in-class real estate companies.

Stepping back, we believe market turmoil will pass. We also believe we have developed the right real estate product for long-term success. In our opinion, the merits of our income-oriented approach to investing in real estate, and our more comprehensive, flexible, liquid, and actively managed investment approach will shine even brighter in the years ahead because investing in real estate requires more discerning analysis (there are more "winners" and "losers") than in the past.

We continue to believe that our highly differentiated real estate fund enjoys, in our opinion, attractive attributes compared to actively managed REIT funds, passive/ETF real estate funds, non-traded REITs, and private real estate. Please see our fourth quarter 2024 shareholder letter where we outline the case for our Fund versus various real estate products.

Our real estate team remains focused and energized to deliver for you, our shareholders, over the long term.

Table VII.
Top 10 holdings as of March 31, 2025

	Quarter End Market Cap ($ billions)	Quarter End Investment Value ($ millions)	Percent of Net Assets (%)
Welltower Inc.	98.3	23.3	10.2
American Tower Corporation	101.7	23.2	10.1
Prologis, Inc.	106.1	18.7	8.1
Ventas, Inc.	30.1	11.1	4.8
Independence Realty Trust, Inc.	4.9	11.1	4.8
EastGroup Properties, Inc.	9.2	10.2	4.4
Equity Residential	27.2	9.4	4.1
American Homes 4 Rent	14.0	8.4	3.7
Weyerhaeuser Company	21.3	7.0	3.0
Simon Property Group, Inc.	54.2	6.9	3.0

I proudly remain a major shareholder of the Baron Real Estate Income Fund.

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) is an allocation strategy that invests exclusively in Baron Funds. Its investments span market caps, sectors, and geographies to provide growth equity diversification.

The Fund lost ground in the first quarter of 2025, retreating 7.88% (Institutional Shares), lagging its mega-cap dominated benchmark, the S&P 500 Index (the Index), and the globally oriented MSCI ACWI Index (the Global Index), which were down 4.27% and 1.32%, respectively.

Over the one-year period, the Fund gained 4.30%, trailing the results of both the Index and Global Index, which advanced 8.25% and 7.15%, respectively.

While the Fund modestly trailed the Index since its inception, the Fund's since inception annualized return of 11.84% is ranked in the top percentile of its Morningstar category over that period. While disappointed in the relative returns compared to the Index, we are proud of this long-term ranking achievement in the peer category and absolute results.

The recent quarter should not be viewed in isolation. It follows a period of surprising and drastic change in the U.S. political landscape. The business and investor euphoria experienced following the conclusion of the U.S. Presidential election at the end of 2024 was met with the realities of policies enacted (and postured) at the start of 2025. Investors had believed that President Trump would usher in a pro-business era of less regulatory burdens, falling interest rates, and lower taxes. However, these same investors are now concerned about tariffs hindering international trade, inflation harming discretionary spending, and federal spending cuts impacting economic growth. It has been a whipsaw of forecasts. We did not attempt to predict the 2024 election outcome, nor how investors would react to it. And we likewise are not attempting to predict current policy. We believe that our investments should achieve their goals regardless of political outcomes. Reduced regulatory burdens should enable disruptive growth businesses to meet their objectives more quickly.

And we find that more challenging economic environments tend to favor our core growth quality, competitively advantaged businesses, of which we attempt to populate in the underlying Baron Funds. (Fund underperformance against its Index was attributable to higher exposure to small- and mid-cap stocks during times in which larger, more value-oriented stocks led performance.) These businesses should face reduced competition in such economies, and the executive teams should position their business to thrive. The portfolio turnover of most underlying Baron Funds has remained very low throughout this period. A transitional period could be volatile, and that has once again been the case. But the Fund is weathering this most recent period. Since the U.S. election on 11/5/2024 when the macroeconomic and political environment shifted, the Fund declined 2.54% while the Index lost a similar 2.40% through the end of the quarter.

In the quarter, our Baron Emerging Markets and International Growth Funds performed the best as investors believed an isolated U.S. would assist these markets' other trading partners. Our higher growth and concentrated portfolios like Baron Partners, Fifth Avenue Growth, and Opportunity Funds performed the worst because of a potential slowdown in the domestic economy. While our small-cap portfolios faced macro pressures, these funds performed relatively well versus their primary benchmarks.

For more information on the performance of the underlying Baron Funds, we encourage you to read their respective quarterly letters.

As of 03/31/2025, the Morningstar Aggressive Allocation Category consisted of 183, 183, 167, and 175 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 49th, 92nd, 9th, and 1st percentiles, 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 March 31, 2025

	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]	(7.91)%	(7.88)%	(7.83)%	(4.27)%	(1.32)%
One Year	4.06%	4.30%	4.35%	8.25%	7.15%
Three Years	2.04%	2.29%	2.29%	9.06%	6.91%
Five Years	16.36%	16.66%	16.64%	18.59%	15.18%
Since Inception (December 29, 2017)	11.58%	11.84%	11.84%	12.65%	8.67%

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 63.1% of the Fund (compared to only 19.0% 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 outperformed small-cap growth companies during the year and in many instances over the last decade. Since the Fund's inception over 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 6 out of the past 7 calendar years.

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 April 26, 2024 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 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 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 March 31, 2025
Institutional Share Class Data

% of Net Assets of Fund			First Quarter of 2025*	Annualized 12/29/2017 to 3/31/2025	Primary Benchmark	First Quarter of 2025*	Annualized 12/29/2017 to 3/31/2025
31.5%		**Small Cap**					
	4.7%	Baron Discovery Fund	(6.17)%	**9.49%**	Russell 2000 Growth Index	(11.12)%	**5.19%**
	14.3%	Baron Growth Fund	(4.25)%	**9.74%**			
	12.5%	Baron Small Cap Fund	(9.07)%	**8.85%**			
7.1%		**Small/Mid Cap**					
	7.1%	Baron Focused Growth Fund	(7.95)%	**20.87%**	Russell 2500 Growth Index	(10.80)%	**6.83%**
10.5%		**Mid Cap**					
	10.5%	Baron Asset Fund	(2.89)%	**9.79%**	Russell Midcap Growth Index	(7.12)%	**10.50%**
8.1%		**Large Cap**					
	3.8%	Baron Durable Advantage Fund	(7.02)%	**14.09%†**	S&P 500 Index	(4.27)%	**12.43%†**
	4.3%	Baron Fifth Avenue Growth Fund	(13.43)%	**10.95%**	Russell 1000 Growth Index	(9.97)%	**15.72%**
18.9%		**All Cap**					
	4.1%	Baron Opportunity Fund	(11.97)%	**18.52%**	Russell 3000 Growth Index	(10.00)%	**15.07%**
	14.8%	Baron Partners Fund	(17.37)%	**22.13%**	Russell Midcap Growth Index	(7.12)%	**10.50%**
9.8%		**Non-U.S./Global**					
	2.7%	Baron Emerging Markets Fund	3.00%	**4.98%**	MSCI Emerging Markets Index	2.93%	**12.58%**
	4.0%	Baron Global Advantage Fund	(9.39)%	**7.51%†**	MSCI ACWI Index	(1.32)%	**8.27%†**
	3.1%	Baron International Growth Fund	0.71%	**3.23%**	MSCI ACWI ex USA Index	5.23%	**4.14%**
14.0%		**Sector**					
	2.7%	Baron FinTech Fund	(1.31)%	**11.48%†**	FactSet Global FinTech Index	(7.52)%	**3.40%†**
	2.8%	Baron Health Care Fund	(2.54)%	**9.57%†**	Russell 3000 Health Care Index	3.87%	**8.19%†**
	6.0%	Baron Real Estate Fund	(6.69)%	**9.23%**	MSCI USA IMI Extended Real Estate Index	(3.11)%	**7.54%**
	2.5%	Baron Real Estate Income Fund	(0.98)%	**3.18%†**	MSCI US REIT Index	0.76%	**2.90%†**

* 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.

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. The COVID-19 Pandemic 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 the COVID-19 Pandemic. It recovered quickly followed by another sizable drop based on macroeconomic factors. Over the three years of the COVID-19 Pandemic 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 the COVID-19 Pandemic will persist. Volatility has remained high, but we are hopeful that interest rate increases, policy factors, and COVID-19 hangovers are ending. However, as discussed above, new challenges have emerged. Global conflict has increased, geopolitics remains uncertain, and a global trade war is threatened. 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	Conclusion of COVID Pandemic Cycle 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 3/31/2025
Baron WealthBuilder Fund (Institutional Shares)	13.84%	(38.48)%	179.85%	(34.64)%	28.11%	37.52%
S&P 500 Index	5.08%	(33.79)%	115.86%	(16.91)%	24.79%	51.14%
MSCI ACWI Index	2.74%	(33.64)%	102.32%	(18.44)%	12.50%	41.67%
Russell 2000 Growth Index	5.09%	(38.46)%	129.58%	(31.34)%	1.96%	21.45%
Russell Midcap Growth Index	6.97%	(35.71)%	134.05%	(30.42)%	12.00%	42.74%

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 March 31, 2025

	Baron WealthBuilder Fund (Institutional Shares)	S&P 500 Index	Morningstar Aggressive Allocation Category
Alpha (%) – Annualized	–2.30	0.00	–4.34
Beta	1.19	1.00	0.92
Sharpe Ratio	0.42	0.59	0.27
Standard Deviation (%) – Annualized	22.25	17.10	16.15
Upside Capture (%)	109.21	100.00	81.77
Downside Capture (%)	117.97	100.00	98.83

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 March 31, 2025

	Percent of Total Investments (%)	S&P 500 Index Weight (%)	MSCI ACWI Index Weight (%)
Financials	20.7	14.7	18.1
Consumer Discretionary	19.8	10.3	10.6
Information Technology	19.2	29.6	23.4
Industrials	13.9	8.5	10.6
Health Care	9.8	11.2	10.3
Real Estate	9.3	2.3	2.1
Communication Services	5.4	9.2	8.2
Materials	1.0	2.0	3.6
Consumer Staples	0.7	6.1	6.3
Energy	0.1	3.7	4.2
Utilities	0.0	2.5	2.7

* Represents less than 0.1%.

Table VI.
Fund of fund holdings as of March 31, 2025

	Percent of Total Investments (%)
Baron Partners Fund	14.8
Baron Growth Fund	14.3
Baron Small Cap Fund	12.5
Baron Asset Fund	10.5
Baron Focused Growth Fund	7.1
Baron Real Estate Fund	6.0
Baron Discovery Fund	4.7
Baron Fifth Avenue Growth Fund	4.3
Baron Opportunity Fund	4.1
Baron Global Advantage Fund	4.0
Baron Durable Advantage Fund	3.8
Baron International Growth Fund	3.1
Baron Health Care Fund	2.8
Baron Emerging Markets Fund	2.7
Baron FinTech Fund	2.7
Baron Real Estate Income Fund	2.5

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.

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.

Alpha measures the difference between a fund's actual returns and its expected performance, given its level of risk as measured by beta. **Beta** explains common variation in stock returns due to different stock sensitivities to market or systematic risk that cannot be explained by the US Country factor. Positive exposure indicates high beta stock. Negative exposure indicates low beta stock. **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.

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)

Dear Baron Health Care Fund Shareholder:

Performance

In the quarter ended March 31, 2025, Baron Health Care Fund® (the Fund) declined 2.54% (Institutional Shares), compared with the 3.87% gain for the Russell 3000 Health Care Index (the Benchmark) and the 4.72% decline for the Russell 3000 Index (the Index). Since inception (April 30, 2018), the Fund increased 10.00% on an annualized basis compared with the 9.57% gain for the Benchmark and the 12.58% gain for the Index.

Table I.
Performance
Annualized for periods ended March 31, 2025

	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]	(2.69)%	(2.54)%	3.87%	(4.72)%
One Year	(9.42)%	(9.14)%	(0.96)%	7.22%
Three Years	(1.20)%	(0.95)%	2.84%	8.22%
Five Years	10.26%	10.55%	11.02%	18.18%
Since Inception (April 30, 2018)	9.71%	10.00%	9.57%	12.58%

The Fund trailed the Benchmark by 641 basis points primarily due to stock selection and, to a lesser extent, active sub-industry weights. Headwinds from style biases also factored into underperformance for the period, as the Fund was hurt by its overexposure to the weak performing Beta factor and underexposure to the better performing Size factor (larger caps).

Disappointing stock selection in biotechnology and health care equipment accounted for about two-thirds of the underperformance in the period. Weakness in biotechnology was broad based, led by declines from **Arcellx, Inc.** and **argenx SE**. Arcellx is developing cell therapies for multiple myeloma, including lead drug anito-cel in partnership with Gilead. The company was the Fund's top detractor on fears of potential new safety signals from additional trials of lead drug anito-cel. These worries overshadowed initial encouraging results for anito-cel showing it being as efficacious as Legend/Johnson & Johnson's Carvykti drug with fewer side effects. We remain investors and offer additional thoughts below.

NEAL KAUFMAN

PORTFOLIO MANAGER

Retail Shares: BHCFX
Institutional Shares: BHCHX
R6 Shares: BHCUX

Argenx is best known for developing Vyvgart, the leading FcRn inhibitor for the treatment of autoimmune conditions. We believe the stock's underperformance did not reflect any change in fundamentals and we remain bullish about the company's long-term prospects. Adverse stock selection in biotechnology was exacerbated by lack of exposure to larger-cap companies AbbVie, Inc. and Amgen Inc., whose share prices were both up approximately 20% in the quarter, detracting 120-plus basis points from relative results (representing nearly half of the overall shortfall in the sub-industry).

Performance in health care equipment was hindered by declines from glaucoma treatment developer **Glaukos Corporation** and robotic surgical system pioneer **Intuitive Surgical, Inc.** Glaukos shares declined on quarterly

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 April 26, 2024 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.

iDose results that missed elevated investor expectations, while Intuitive's stock fell due to investor rotation out of high growth companies and concerns about the potential impact of tariffs on Intuitive's earnings given the company manufactures instruments in Mexico. We remain investors and discuss both companies in greater detail below. Lack of exposure to certain strong performing large-cap companies, such as Abbott Laboratories and Medtronic plc, presented additional headwinds to performance in the sub-industry.

Higher exposure to lagging life sciences tools & services stocks and poor stock selection in health care services and managed health care were other material detractors in the period. The Fund's only position in health care services, diagnostic imaging services provider **RadNet, Inc.**, weighed on performance after reporting below consensus guidance for fiscal year 2025. We view the reasons for the lower guidance as non-recurring and remain excited about the optionality embedded in RadNet's AI products, which provide enhanced digital image reading and analysis, boosting radiologists' accuracy and efficiency.

Health Savings Account administrator **HealthEquity, Inc.** was largely responsible for the stock-specific shortfall in managed health care. The stock fell after the company reported its fiscal fourth quarter earnings. While revenue beat Street estimates, EBITDA and earnings fell short and management lowered guidance due to increased expenses related to fraud activity. Sophisticated criminals broke into customer accounts and stole funds. HealthEquity reimbursed the customer accounts fully and also had extra expenses associated with customer calls related to the fraud and recovery. Management is taking steps to address the issue, including enhanced security measures for its clients, and is pursuing recovery from insurance providers. Outside of this setback, the rest of the business is performing well. HealthEquity is gaining market share and benefiting from higher interest rates on deposits. We also see upside optionality from potential legislation expanding eligibility for health savings accounts.

Minimally offsetting the above was strength in health care distributors attributable to a combination of stock selection and active exposure to this strong performing sub-industry. Recent addition **McKesson Corporation**, a leading distributor of pharmaceutical/medical supplies and provider of prescription technology solutions that connect pharmacies, providers, payers, and biopharmaceutical customers, led the way in health care distributors. We discuss why we re-established a position in McKesson in the Recent Activity section below.

Table II.

Top contributors to performance for the quarter ended March 31, 2025

	Contribution to Return (%)
Boston Scientific Corporation	0.82
Vertex Pharmaceuticals Incorporated	0.59
UnitedHealth Group Incorporated	0.48
Eli Lilly and Company	0.40
Insmed Incorporated	0.21

Boston Scientific Corporation is a global manufacturer of medical devices used in a broad range of interventional medical specialties. Shares contributed to performance. End markets are growing at an attractive 9%, with the company positioned well with its differentiated products in electrophysiology and structural heart. In particular, there has been increasing excitement around the emerging field of pulsed field ablation (PFA). Traditionally, doctors have used temperature-based methods (either hot or cold) to disable heart tissue responsible for irregular heartbeats; however, these methods may damage surrounding tissue. In comparison, PFA relies on electricity to damage aberrant tissue, and because different types of tissue have different electrical thresholds, the surrounding tissue can be selectively spared. Coupled with cost discipline and more than 50 basis points of annual operating margin expansion, we believe its double-digit EPS growth profile makes Boston Scientific a compelling name within the large-cap medical device universe.

Vertex Pharmaceuticals Incorporated is a leading biotechnology company with a cystic fibrosis franchise and a pipeline of drugs for other conditions. Shares increased on a recovery in investor sentiment after disappointing data from Journvax in lumbar spinal radiculopathy in December. We remain bullish on Vertex's cystic fibrosis business and its evolving pipeline, including Journvax, a non-opioid NaV inhibitor currently in launch for the treatment of acute pain. Although Vertex needs to finalize utilization management criteria with payers, we see a high level of unmet need and large potential market. Vertex's broader pipeline for pain treatment includes several additional non-opioid NaV inhibitor assets. We are also encouraged by its pipeline in kidney disease, including inaxaplin for APOL1-mediated kidney disease and povetacicept for IgA nephropathy.

UnitedHealth Group Incorporated is a diversified health and well-being company with $450 billion in annual revenue that operates across four segments: UnitedHealthcare, Optum, OptumInsight, and OptumRX. Shares ended the quarter in positive territory as multiple 2024 headwinds began to subside and investors anticipated the start of a more positive rate cycle. After several years of rates that did not match cost trends, the preliminary 2026 Medicare Advantage rate was better than expected; historically, final rates are incrementally higher. The company is well positioned to expand enrollment as it competes against plans that aggressively mispriced in 2024, forcing them to scale back benefits to restore margins. The growing percentage of earnings from higher margin/unregulated Optum and the maturation of Medicare Advantage cohorts should help earnings in 2025. UnitedHealth's insulation from potential tariff impacts also proved attractive to investors. We remain shareholders.

Table III.

Top detractors from performance for the quarter ended March 31, 2025

	Contribution to Return (%)
Arcellx, Inc.	–0.67
Glaukos Corporation	–0.52
Intuitive Surgical, Inc.	–0.47
RadNet, Inc.	–0.35
Danaher Corporation	–0.35

Arcellx, Inc. is developing cell therapies for multiple myeloma, including lead drug anito-cel in partnership with Gilead. Shares detracted from performance. The stock had run up as investors anticipated positive news ahead of results released in early December from a pivotal iMMagine-1 trial. Despite encouraging data showing that anito-cel is as efficacious as Legend/Johnson & Johnson's CARVYKTI with fewer side effects, shares then fell on fears of any new safety signals as Arcellx conducts additional trials. We think anito-cel is meaningfully differentiated on safety, and new data readouts will support this conclusion. We expect a mid-year update on trial results, which could be the basis for potential approval and launch in the second half of 2026.

Glaukos Corporation develops and sells interventional glaucoma treatments, including iDose, a minimally invasive drug-delivery device launched in 2024. An iDose is implanted as a five minute procedure and delivers highly concentrated prostaglandin inside the eye effective for up to three years. Shares declined on quarterly iDose results that missed elevated investor expectations. Although feedback has been positive, doctors have been hesitant to use iDose until they are confident they will receive reimbursement for this expensive device. Medicare coverage has started to solidify in some regions, and we think coverage across the board is a matter of when, not if. We believe uptake will accelerate over the coming quarters as the reimbursement process becomes more streamlined. Glaucoma is a large market that is ripe for new standalone interventions, and we think iDose can be a $1 billion product over time.

Intuitive Surgical, Inc. manufactures the da Vinci Surgical System, a robotic surgical system used for minimally invasive surgical procedures. The stock fell due to investor rotation out of high growth companies. In addition, concerns emerged about the potential impact of tariffs on Intuitive's earnings because Intuitive manufactures instruments in Mexico. If the company can get a health care exception to exempt it from tariffs, we think there are steps it could take to minimize the impact. In any event, we do not think tariffs alter the long-term investment thesis and continue to have a positive long-term view of Intuitive's opportunity to expand adoption of its robotic systems.

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 March 31, 2025, we held 35 stocks. This compares with 532 stocks in the Benchmark. International stocks represented 9.9% of the Fund's net assets. The Fund's 10 largest holdings represented 64.2% of net assets. Compared with the Benchmark, the Fund was overweight in health care equipment, life sciences tools & services, health care supplies, and managed health care, and underweight in pharmaceuticals and health care services. The market cap range of the investments in the Fund was $2.4 billion to $783 billion with a weighted average market cap of $202 billion. This compared with the Benchmark's weighted average market cap of $248 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 pet health care, 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 March 31, 2025

	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	479.1	18.3	10.8
Eli Lilly and Company	2021	187.4	783.0	17.2	10.1
Boston Scientific Corporation	2023	73.4	149.2	14.5	8.6
argenx SE	2018	2.8	36.0	13.9	8.2
Intuitive Surgical, Inc.	2018	49.9	177.4	10.9	6.4
Stryker Corporation	2023	98.8	142.1	8.2	4.8
Thermo Fisher Scientific Inc.	2019	117.4	187.7	8.0	4.7
Danaher Corporation	2022	202.9	146.7	6.2	3.6
Arcellx, Inc.	2023	1.9	3.6	6.1	3.6
Vertex Pharmaceuticals Incorporated	2022	61.4	124.5	5.8	3.4

Table V.
Fund investments in GICS sub-industries as of March 31, 2025

	Percent of Net Assets (%)
Health Care Equipment	27.3
Biotechnology	20.8
Life Sciences Tools & Services	14.7
Pharmaceuticals	12.8
Managed Health Care	12.6
Health Care Supplies	2.7
Health Care Distributors	1.8
Health Care Services	1.8
Health Care Facilities	1.5
Cash and Cash Equivalents	4.0
Total	**100.0***

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

Recent Activity

During the quarter, we added six new positions and exited eight positions. Below we discuss some of our top net purchases and sales.

Table VI.
Top net purchases for the quarter ended March 31, 2025

	Quarter End Market Cap ($ billions)	Net Amount Purchased ($ millions)
Waters Corporation	21.9	4.5
Penumbra, Inc.	10.3	2.9
McKesson Corporation	84.3	2.8
Masimo Corporation	9.0	2.1
UnitedHealth Group Incorporated	479.1	1.2

We initiated a position in **Waters Corporation**, a leading provider of analytical instruments and consumables for high volume, regulated applications, including biopharmaceutical quality control, late-stage drug development, food and environmental safety, chemical analysis and materials testing. Waters has a particularly strong market position in biopharmaceutical quality control where its liquid chromatography instruments are used along with its proprietary column chemistry to efficiently separate contaminants from the drug mixture for analysis. This is coupled with their Empower software, which is a one-stop platform compatible for readout across multiple analyzer types, such as mass spectrometry, UV spectroscopy, and multi-angle light scattering. Empower takes all this information and pipes it to regulators with robust data integrity and audit trail. Currently, around 80% of novel drugs filed with regulators use this software, providing a competitive advantage. Moreover, the company's products are specified in the regulatory approval process, making them very sticky.

Historically, Waters' revenue has grown in the mid-single digits annually. Going forward, Waters has several idiosyncratic growth drivers which could boost growth above the historic rate: India generics (driven by a larger number of blockbuster drugs going off patent over the next five years), GLP-1 testing (driven by explosive growth in the anti-obesity drug category over the coming decade), biologics (driven by growth in large molecule testing), and PFAS testing (driven by new regulations banning forever chemicals). In addition, management seeks to capture greater price contributions versus historic rates. On top of this, Waters should benefit from a replacement cycle in its instrument business over the next two to four years. Based on these growth drivers, revenue growth could accelerate to the high single digits to low double digits in the coming years. At a recent Investor Day, management established a goal to achieve 400 basis points of operating margin expansion over the next five years, from the company's industry leading 31% operating margin in 2024 to 35% in 2030. With its strong free cash flow generation, Waters can redeploy capital into M&A and share repurchases to drive solid double-digit annual earnings per share growth.

We initiated a position in **Penumbra, Inc.**, a leading manufacturer of medical devices that remove blood clots from veins and arteries. Physicians use the company's devices to treat pulmonary embolism (PE), deep vein thrombosis (DVT), acute limb ischemia, ischemic stroke, coronary disease, and other conditions. Penumbra's devices, which are called mechanical thrombectomy devices, use computer algorithms to modulate the aspiration power depending on if a clot is detected and to control a separate valve that injects saline to reduce friction between the clot and catheter. This enables a differentiated device profile that maximizes clot removal with speed while decreasing risk of blood loss.

Penumbra serves large and underpenetrated markets. Management estimates the U.S. thrombectomy market opportunity consists of roughly 1.25 million annual procedures, including roughly 200,000 in stroke and over 1 million in PE, DVT, arterial, and coronary. The PE and DVT markets are only 10% penetrated with mechanical thrombectomy devices. Most PE patients currently receive conservative medical management with oral anticoagulation alone. Penumbra is running randomized clinical trials studying mechanical thrombectomy versus anticoagulation for PE patients. If the trials are positive, the market could shift towards greater adoption of mechanical thrombectomy. Meanwhile, Penumbra is gaining market share in PE and DVT. In stroke, the company's new Thunderbolt device, which incorporates its computer assisted vacuum thrombectomy technology into the stroke market for the first time, could receive FDA approval and launch later this year, providing a potential catalyst for growth.

We reacquired shares of **McKesson Corporation**, a leading distributor of pharmaceuticals and medical supplies, during the quarter. McKesson's business mix has been evolving towards a diversified health care services company with leading positions in oncology and biopharmaceutical services. In oncology, McKesson has built a differentiated platform, which includes specialty distribution and pharmacy, practice management; real-world data, evidence, and technology; and clinical trial management and services. Like the strategy in oncology, McKesson is now building a portfolio of services for retina and ophthalmology practices. In biopharmaceutical services, McKesson has connections with most electronic health record systems, over 50,000 pharmacies, approximately 950,000 providers, most pharmacy benefit managers and health plans, and supports a portfolio of biopharmaceutical brands to make medications more accessible and affordable to providers and patients. The business generates substantial free cash flow, and long-term management targets 12% to 14% annual earnings per share growth.

We initiated a position in **Masimo Corporation**, a medical device company that manufactures and sells a variety of non-invasive patient monitoring technologies. Masimo is the market leader in pulse oximetry, which measures oxygen saturation of arterial blood. The company's differentiated pulse oximetry technology overcomes the limitations of conventional pulse oximetry by maintaining accuracy in the presence of motion and low perfusion. Masimo SET is the primary pulse oximetry technology used in the top 10 U.S. hospitals. The company has significant intellectual property protection around its technology as well as multi-year customer contracts, creating barriers to entry. The business benefits from a highly recurring revenue model driven by disposable sensors.

With new management in place, the company is exiting its consumer business and focusing its attention on the health care business. Management is guiding to 8% to 11% constant currency revenue growth and 400 basis points of operating margin expansion in 2025. Beyond 2025, we think the health care business can continue to grow in a similar range on an annual basis with room for additional margin expansion.

We added to **UnitedHealth Group Incorporated**, a leading managed health care company. We think UnitedHealth has several competitive advantages including scale, data, vertical integration with service providers, and leadership in Medicare Advantage and value-based care. We see an attractive business trading at a 10-year low relative valuation and we think fundamentals are likely to improve driven by normalization of medical cost trends and more favorable rates in Medicare and Medicaid.

Table VII.
Top net sales for the quarter ended March 31, 2025

	Net Amount Sold ($ millions)
Natera, Inc.	4.5
Intuitive Surgical, Inc.	4.2
Vertex Pharmaceuticals Incorporated	2.6
Thermo Fisher Scientific Inc.	2.1
Arcellx, Inc.	2.0

We reduced positions in **Natera, Inc.**, **Intuitive Surgical, Inc.**, and **Vertex Pharmaceuticals Incorporated** due to valuation. We reduced **Thermo Fisher Scientific Inc.** due to concerns about reduced funding for life sciences research in academic and biotechnology markets. We reduced **Arcellx, Inc.** to manage risk, though we maintain a positive view.

Outlook

In early April, thousands of employees at the Department of Health and Human Services (HHS) began receiving layoff notices as part of HHS Secretary Robert F. Kennedy, Jr.'s plan to cut approximately 10,000 jobs from the agency, including 3,500 cuts at the Food and Drug Administration (FDA). The removal of well-regarded division heads at the FDA and fears about disruption sparked indiscriminate selling of small biotechnology stocks which depend upon timely review and approval of their pipeline assets. It's possible that new leaders at the FDA could take a more permissive stance on new drug applications, resulting in faster and more drug approvals, which could be both positive (faster, less costly to bring a drug to market) and negative (lower barriers to entry, potential for unsafe or ineffective drugs to reach the market). At this point, it is too early to know how this will play out. The other investor concern about biotechnology is that large pharma has been turning to China to acquire or license drugs at lower prices instead of acquiring U.S. based companies. In this challenging environment, we are focused on owning a select few commercial-stage (or near commercial-stage) biotechnology companies with visible near-term revenue. Among large-cap pharmaceutical companies, we remain bullish on **Eli Lilly and Company**, which we think is an industry leader in terms of R&D productivity and is competitively advantaged in the obesity medicine market with its strong pipeline, manufacturing footprint, therapeutic category expertise, and balance sheet. We continue to believe the obesity medicine market opportunity is large and underpenetrated with only about 8 million people taking GLP-1 medicines versus the market opportunity of over 100 million in the U.S. alone.

In January, it appeared as if the long-awaited recovery in the life sciences tools sector had finally arrived, but then events took a turn for the worse. In February, the National Institutes of Health (NIH) adopted a new policy with respect to funding of indirect costs, a policy change that threatens to reduce funding for universities across the nation. A lawsuit challenging the policy change has been filed. If the policy remains in effect, academic laboratories could be forced to cut projects, resulting in less spending on life sciences tools. On the other hand, the NIH is arguing that the total amount of spending won't decrease, and the new policy will make spending more efficient by re-allocating funds to direct research. In the meantime, funding delays and grant cancellations are pressuring spending. While the companies we own have manageable exposure to academic research markets, a slowdown in biotechnology funding, which hit a three-year low in the first quarter, and tariffs on the life sciences tools companies and their pharmaceutical customers, could be more impactful. These are risks we are monitoring.

Outside of life sciences, we remain bullish on medical device companies **Intuitive Surgical, Inc.**, **Boston Scientific Corporation**, and **Stryker Corporation**. Intuitive is the leader in robotic surgical systems and has several moats around its business including technology, patents, regulatory approvals, a large installed base, clinical data, and physicians trained to use its products. Intuitive is in the early innings of a new product cycle with its new DV5 system which has 10,000 times the computing power of its prior generation system, offers force feedback, enhanced 3D imaging, and other benefits, and the system's capabilities will expand over time. Boston Scientific has multiple growth drivers in its diversified medical device business, including adoption of its Farapulse ablation catheter, which uses a new form of energy to treat irregular heart rhythms like atrial fibrillation. Stryker is gaining share in its hip and knee implants business and has a new product pipeline that will continue to drive industry leading top-line growth.

After two years of significant underperformance, managed care stocks generated positive returns in the quarter, and outperformance continued in April. This is due to lack of exposure to tariffs, the expectation that elevated medical cost trends will normalize as the year progresses, and potential for more favorable rate increases in Medicare and Medicaid. We think managed care companies are entering a period of margin expansion from trough levels and accelerating earnings growth and we are positive about the long-term outlook for **UnitedHealth Group Incorporated**.

This quarter we are highlighting exciting innovation in the field of organ transplants. The FDA recently authorized two companies, United Therapeutics and eGenesis, to begin clinical trials in which surgeons transplant kidneys from genetically modified pigs into humans. There are more than 500,000 people in the U.S. with end stage kidney disease that rely on dialysis for survival. However, there are only 27,000 kidney transplants performed each year due to a lack of donor organs. Scientists have tried xenotransplantation (or transplanting organs from non-human animals) in the past, but the patient's immune system would end up rejecting the foreign organs and there were also concerns about the risk of animal infections spreading to humans through the donated organ. Recent advances in gene-editing have allowed scientists to make edits in the pig's genome to avoid immune rejection and to remove traces of a specific type of pig-virus that can embed into pig DNA. The companies also test the organs for a range of other potential infections. While this technology is early, it's exciting that the companies are starting clinical trials that could one day lead to FDA approval. In the future, specialized farms could produce hundreds or even thousands of lifesaving xenotransplant organs each year.

This is just one example of innovation in the Health Care sector. We continue to follow our process for identifying great 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.

Beta explains common variation in stock returns due to different stock sensitivities to market or systematic risk that cannot be explained by the US Country factor. Positive exposure indicates high beta stock. Negative exposure indicates low beta stock. **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 FinTech Fund Shareholder:

Performance

In the quarter ended March 31, 2025, Baron FinTech Fund® (the Fund) fell 1.31% (Institutional Shares) compared with a 7.52% decline for the FactSet Global FinTech Index (the Benchmark). Since inception, the Fund has risen at an 11.27% annualized rate compared with 2.22% for the Benchmark.

Table I.
Performance
Annualized for periods ended March 31, 2025

	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]	(1.39)%	(1.31)%	(7.52)%	(4.27)%	(1.32)%
One Year	13.96%	14.29%	2.01%	8.25%	7.15%
Three Years	7.10%	7.38%	(0.28)%	9.06%	6.91%
Five Years	14.61%	14.90%	9.10%	18.59%	15.18%
Since Inception (December 31, 2019)	11.00%	11.27%	2.22%	12.85%	9.28%

JOSH SALTMAN

PORTFOLIO MANAGER

Retail Shares: BFINX
Institutional Shares: BFIIX
R6 Shares: BFIUX

U.S. equities ended the first quarter down almost 5% following a sharp decline in March. Markets started off well to begin the year with the S&P 500 Index reaching a new high in mid-February. Investors were enthusiastic at the start of President Trump's second term about anticipated deregulation, tax cuts, strong corporate earnings, and interest rate cuts. Market sentiment began to shift in February due to concerns about tariffs, persistently high inflation, and softer economic growth, leading to fears of stagflation. Perceived cracks in the AI secular growth theme, waning consumer sentiment, and cautious commentary from the Federal Reserve also contributed to risk-off conditions late in the quarter.

Small caps bore the brunt of the market sell-off, declining by almost 10% in the quarter, while mid- and large-cap stocks fell 3% and 4%, respectively. Value meaningfully outperformed growth across all market caps, reflecting strength in defensive, commodity-centric, and yield-oriented sectors including Energy, Utilities, and Real Estate. After two years of dominant performance, the Magnificent Seven faltered during the quarter, accounting for all the losses in the S&P 500 Index. These seven mega-cap technology stocks fell 15% during the quarter and 19% from their December 2024 peak due to the emergence of Chinese AI competition combined with lofty growth expectations. Excluding the Magnificent Seven, the S&P 500 Index managed a small 1% gain for the quarter. Beyond the U.S., both developed and emerging market equities rose, benefiting from a shift away from U.S. equities.

During the first quarter, the Fund outperformed the Benchmark and the S&P 500 Index. Relative strength versus the Benchmark was mostly driven by strong stock selection in Payments, E-Commerce, Enterprise Software, and Tech-Enabled Financials. Leaders outperformed Challengers (flat versus down 4%, respectively). The Fund's lack of exposure to the Magnificent Seven was a tailwind to performance against the broader market. The Fund also benefited from higher exposure to the strong-performing Financials sector, which rose more than 3% in the S&P 500 Index.

Strength in Payments was mostly due to gains from the Fund's sizeable positions in global payment networks **Visa Inc.** and **Mastercard Incorporated**. Both companies reported strong quarterly results with accelerating payments volumes. The defensiveness of their business models also likely proved attractive to investors in a risk-off market. Global payments and bank technology company **Fiserv, Inc.** also performed well after reporting strong quarterly results and providing a favorable outlook for the following year with an expectation for continued mid-teens earnings growth.

Performance in E-Commerce and Enterprise Software was bolstered by double-digit gains from Latin American e-commerce marketplace **MercadoLibre, Inc.** and insurance software vendor **Guidewire Software,**

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 April 26, 2024 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.

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.

Inc., respectively. MercadoLibre was a top contributor after reporting strong quarterly results, with better-than-expected revenue and a meaningful improvement in margins. Guidewire's stock rebounded as revenue benefited from new customer wins and migrations of existing customers to a modern cloud-based offering. The company's subscription-based gross margin also expanded by more than 10 percentage points in the recent quarter.

The Fund's insurance, brokerage, and financial exchange holdings benefited from market volatility and contributed to performance in Tech-Enabled Financials and Capital Markets. **The Progressive Corporation**, **Arch Capital Group Ltd.**, and **Primerica, Inc.** were among several insurance-related holdings that outperformed due to a market rotation into defensive stocks. Independent broker-deal **LPL Financial Holdings Inc.** and retail broker **The Charles Schwab Corporation** also performed well in the Tech-Enabled Financials category. Within Capital Markets, electronic trading platform **Tradeweb Markets Inc.** and leading derivatives marketplace **CME Group, Inc.** benefited from robust trading activity in more volatile markets.

Somewhat offsetting the above was weakness in Information Services and Digital IT Services where investment research company **Morningstar, Inc.** and outsourced software developer **Globant S.A.** were the largest detractors. Morningstar's shares declined in response to disappointing quarterly results in which margins contracted following several quarters of improvement. We believe this margin pressure was a temporary hiccup attributable to unusual costs that should soon abate. Globant's shares fell after the company reported weaker-than-expected financial guidance amid challenging demand trends for the IT services industry.

Table II.
Top contributors to performance for the quarter ended March 31, 2025

	Contribution to Return (%)
The Progressive Corporation	0.65
Tradeweb Markets Inc.	0.49
MercadoLibre, Inc.	0.46
Visa Inc.	0.44
Guidewire Software, Inc.	0.37

The Progressive Corporation is a leading auto insurance company. Shares increased as the company continued to perform well, growing its auto policy count more than 20% with underwriting margins well above its 4% target. We don't think these growth rates and margins are sustainable due to the inevitable return of pricing pressure in a competitive insurance market. However, Progressive continues to gain market share and has now surpassed Geico to become the second largest auto insurer in the U.S. behind State Farm. Shares also benefited from the relative defensiveness of insurance stocks in a risk-off market. We remain shareholders because we view Progressive as a best-in-class insurer that should continue gaining share in a large market.

Tradeweb Markets Inc. operates electronic marketplaces for fixed income securities. Shares rose during the quarter due to strong volume trends driven by favorable market conditions and share gains in key products. Credit products saw accelerating growth with trading volume up 39%, while rates products saw stable trends with 14% growth. In credit, Tradeweb continued to grow faster than the market and its primary electronic trading competitor. We believe Tradeweb can achieve solid growth in a variety of macroeconomic conditions and expect further market share gains to drive long-term upside. We continue to own the stock due to Tradeweb's strong network effects, long track record of innovation, and significant growth opportunities from the ongoing electronification of the capital markets.

MercadoLibre, Inc. is the leading e-commerce marketplace and fintech provider in Latin America. Shares rebounded from weakness in the prior quarter after the company reported strong financial results that exceeded Street expectations. In the fourth quarter, revenue grew 37% and operating income grew 44% on an adjusted basis. Margins surprised to the upside, reversing a decline in the prior quarter and alleviating concerns around investment-driven impacts on near-term profitability. MercadoLibre continues to post above-market growth with gross merchandise volume up 56% and total payment volume up 49%, both on a constant-currency basis. In 2024, the company had 100 million marketplace customers and 61 million monthly fintech users with rising engagement due to the company's compelling value proposition. We believe MercadoLibre remains a prime beneficiary of the secular growth of e-commerce and digital banking in Latin America.

Table III.
Top detractors from performance for the quarter ended March 31, 2025

	Contribution to Return (%)
KKR & Co. Inc.	-0.74
Apollo Global Management, Inc.	-0.62
Block, Inc.	-0.56
Globant S.A.	-0.32
Morningstar, Inc.	-0.26

Shares of leading alternative asset manager **KKR & Co. Inc.** fell due to macroeconomic concerns, particularly as Trump's actions on tariffs and broader economic policy were more sweeping and volatile than expected. Alternative asset manager stocks performed well last year, especially after the November elections, on hopes that a wave of deregulation and pro-growth economic policies would spur a rise in deal activity and fees. Investors have since cooled on the prospects for a capital markets recovery, pressuring KKR and its peers. Although the near-term outlook is uncertain, we think KKR is a winner in the space, and its long-term fundraising success should be driven by its breadth of products and strong investment track record rather than the near-term economic outlook.

Shares of alternative asset manager **Apollo Global Management, Inc.** detracted in the first quarter, largely stemming from a reversal in sentiment on the economy and capital markets activity. As mentioned above, alternative asset manager stocks performed well last year, especially after the November elections, on expectations of a recovery in capital markets activity fueled by deregulation and economic growth. Those expectations waned in the first quarter due to uncertainty and volatility around the Trump administration's policy initiatives. As sentiment faded, alternative asset manager stocks gave back their post-election gains. We continue to own the stock due to Apollo's differentiated focus on credit and strong management team.

Block, Inc. provides point-of-sale technology to small businesses and operates the Cash App ecosystem of financial services for individuals. Shares fell after the company reported quarterly results and near-term guidance that were softer than expected. In the fourth quarter, gross profit growth of 14% and EPS growth of 51% were strong overall but missed Street expectations. Also, investors took a skeptical view of the 15% gross profit growth guidance for 2025 since it implies acceleration throughout the year in an uncertain macroeconomic environment. Nevertheless, management reiterated their expectation of achieving the "Rule of 40" investment framework in 2026 with mid-teens gross profit growth and a mid-20%

operating margin. We continue to own the stock due to Block's long runway for growth, sustainable competitive advantages, and innovative product offering.

Portfolio Structure

We seek to invest in competitively advantaged, growing fintech companies for the long term. 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.

As of March 31, 2025, the Fund held 45 positions (37 excluding those smaller than 1%). The Fund's 10 largest holdings represented 42.0% of net assets, and the 20 largest holdings represented 70.2% of net assets. International stocks represented 10.2% of net assets. The market capitalization range of the investments in the Fund was $804 million to $704 billion with a median of $34 billion and a weighted average of $120 billion.

We segment the Fund's holdings into seven investment themes. As of March 31, 2025, Tech-Enabled Financials represented 27.9% of net assets, Information Services represented 22.1%, Payments represented 15.1%, Enterprise Software represented 14.6%, Capital Markets represented 12.4%, E-Commerce represented 5.5%, and Digital IT Services represented 1.1%. 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, E-Commerce, and Digital IT Services.

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 March 31, 2025, Leaders represented 76.2% of net assets and Challengers represented 22.5%, with the remainder in cash.

Table IV.
Top 10 holdings as of March 31, 2025

	Year Acquired	Market Cap When Acquired ($ billions)	Quarter End Market Cap ($ billions)	Quarter End Investment Value ($ millions)	Percent of Net Assets (%)
Visa Inc.	2020	376.2	704.4	3.3	4.9
Mastercard Incorporated	2020	306.1	499.7	3.2	4.6
S&P Global Inc.	2020	67.9	159.5	3.2	4.6
Fiserv, Inc.	2022	67.7	123.9	2.9	4.2
The Progressive Corporation	2022	65.4	165.9	2.8	4.2
Tradeweb Markets Inc.	2020	11.1	32.4	2.8	4.2
LPL Financial Holdings Inc.	2021	12.9	24.4	2.8	4.1
MercadoLibre, Inc.	2020	53.7	98.9	2.6	3.8
Guidewire Software, Inc.	2020	9.1	15.7	2.5	3.7
Fair Isaac Corporation	2020	11.1	45.0	2.5	3.6

Table V.
Fund investments in GICS sub-industries as of March 31, 2025

	Percent of Net Assets (%)
Financial Exchanges & Data	20.4
Transaction & Payment Processing Services	18.7
Application Software	14.8
Investment Banking & Brokerage	11.7
Property & Casualty Insurance	7.9
Research & Consulting Services	5.1
Asset Management & Custody Banks	4.6
Broadline Retail	3.8
Diversified Financial Services	3.4
Diversified Banks	1.9
Internet Services & Infrastructure	1.7
Insurance Brokers	1.3
Life & Health Insurance	1.1
IT Consulting & Other Services	1.1
Real Estate Services	1.1
Cash and Cash Equivalents	1.3
Total	**100.0***

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

Recent Activity

There was relatively little trading activity during the quarter with no new purchases and the sale of two small positions. Below we discuss some of our top net purchases and sales.

Table VI.
Top net purchases for the quarter ended March 31, 2025

	Quarter End Market Cap ($ billions)	Net Amount Purchased ($ thousands)
Robinhood Markets, Inc.	36.9	625.7
ServiceTitan, Inc.	8.6	245.6
Equifax Inc.	30.4	49.2
Alkami Technology Inc.	2.7	27.6
Tradeweb Markets Inc.	32.4	26.9

We added to our position in online broker **Robinhood Markets, Inc.**, which was a new purchase in the prior quarter. The company reported very strong financial results for the fourth quarter with elevated trading volumes and robust growth in accounts and deposits. Client trading activity has moderated since the start of the year but remains elevated overall and the number of Gold subscribers grew 20% in the first quarter alone. At its Gold Summit in March, the company released three new products, including a low-cost advisory service, an AI-powered research tool, and a digital banking service. Robinhood is building out new products at a rapid clip yet still has a long runway to reach parity with other brokers. Additional service offerings should support continued market share gains.

We also added to our position in **ServiceTitan, Inc.**, a provider of business management software for the field service industry, which was another new purchase in the prior quarter. The company reported strong financial results with 29% revenue growth and solid margin expansion in the recent quarter. Management provided guidance for this year that exceeded Street expectations yet still leaves room for upside. Key focus areas include targeting enterprise customers (especially private equity-backed consolidators), upselling higher-value services, and expanding in the commercial and roofing markets. We expect the company to continue growing 20%-plus with significant margin expansion and free cash flow growth over time.

Table VII.
Top net sales for the quarter ended March 31, 2025

	Quarter End Market Cap or Market Cap When Sold ($ billions)	Net Amount Sold ($ thousands)
WEX Inc.	6.0	517.5
Visa Inc.	704.4	171.3
Mastercard Incorporated	499.7	142.1
Intuit Inc.	171.6	123.6
Apollo Global Management, Inc.	78.1	121.6

We sold payment companies **WEX Inc.** and **Global Payments Inc.** due to concerns about competitive positioning, slowing growth, and disappointing capital allocation decisions. We modestly trimmed **Visa Inc.**, **Mastercard Incorporated**, and **Intuit Inc.** on strength to manage position sizes and fund purchases elsewhere in the portfolio.

Outlook

The near-term outlook is more uncertain today than it was three months ago. Higher trade tariffs are expected to increase costs, crimp profits, and temper economic growth. Beyond these direct effects, trade policy is also constantly shifting, which creates uncertainty and slows decision-making.

We believe the Fund is insulated but not immune from tariffs and trade wars. Our holdings are service-based businesses that don't rely on imported goods and shouldn't see a material change in operating costs. Financial exchanges and trading platforms are experiencing a surge in trading volumes from elevated market volatility. Payment companies earn fees based on nominal payment volumes, so their revenues should benefit from higher prices. A weaker U.S. dollar provides an earnings translation tailwind for our multinational and foreign companies, with non-U.S. revenue exposure of 34% across the Fund. Nevertheless, our holdings are indirectly impacted by trade policy due to their reliance on consumer confidence and the performance of other businesses that incur higher tariffs. While still early, our conversations with management teams indicate greater caution and concerns about a slowdown if trade tensions persist. The Fund's relatively defensive positioning with over three-quarters exposure to Leaders with wide moats and durable earnings should serve investors well in an uncertain environment.

During periods of market turbulence, many people feel an urgency to act. When share prices are moving quickly, market participants trade more frenetically in response to breaking news flow. Investors desperately attempt to model the earnings impacts from tariffs and update their valuation estimates despite constantly shifting policy. We take the opposite approach. We construct the portfolio with an expectation of economic fluctuations. We seek to invest in companies that can endure inevitable but unpredictable downturns and will thrive over a full economic cycle. We tend to trade less, not more, during periods of market dislocation when we think investors are more likely to make mistakes. Because we invest with conviction in high-quality, durable businesses, we can be more sanguine than most and confidently hold our positions during market pullbacks.

Our research team focuses on gathering information with a long shelf life while ignoring information with a short shelf life. We're all bombarded with news every day, most of which has little value and quickly becomes stale. This information overload shortens our attention spans and distracts us from more valuable pursuits. Instead of obsessively monitoring the latest headlines, our team is focused on more durable insights by continually researching existing holdings and potential new investments. During the quarter, we attended the AIFA Insurance Conference where we met with over a dozen companies and learned about evolving market trends. We attended a multi-day retreat hosted by a prominent venture capital firm where we learned about the challenges and opportunities in growing early-stage fintech companies. We met in our offices with several late stage, privately held fintech companies that intend to go public soon. We also maintained regular contact with the management teams of our portfolio companies to evaluate their competitive positions and growth prospects. We believe these efforts are more likely to generate insights with long shelf lives that should lead to better decision-making and continued outperformance.

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.

Free Cash Flow (FCF) represents the cash that a company generates after accounting for cash outflows to support operations and maintain its capital assets. 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 India Fund Shareholder:

Performance

Baron India Fund® (the Fund) declined 2.93% (Institutional Shares) during the first quarter of 2025, while its relevant benchmark, the MSCI AC Asia ex Japan/India Linked Index (the Linked Benchmark), was down 2.95%. As a reminder to investors, as of market close on August 30, 2024, Baron New Asia Fund was converted into Baron India Fund, necessitating a Linked Benchmark 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 from July 30, 2021 (Fund inception date) through August 31, 2024 and that of the reconstituted Baron India Fund beginning thereafter. Similarly, the Linked Benchmark, effective September 1, 2024, will reflect the performance of the MSCI India Index, the primary benchmark of Baron India Fund, while the period from July 30, 2021 through August 31, 2024 will reflect the performance of the MSCI AC Asia ex Japan Index.

Since converting to an India dedicated strategy beginning September 1, 2024, the Fund has outperformed the MSCI India Index by 532 basis points.

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 March 31, 2025

	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]	(3.05)%	(2.93)%	(2.95)%	1.81%	(2.95)%	2.93%
Since Conversion (September 1, 2024)[3]	(6.99)%	(6.80)%	(12.12)%	2.02%	(12.12)%	1.01%
One Year	7.11%	7.47%	(4.09)%	11.34%	1.75%	8.09%
Three Years	1.11%	1.39%	(3.15)%	1.79%	6.94%	1.44%
Since Inception (July 30, 2021)	(3.13)%	(2.88)%	(5.61)%	(1.69)%	8.23%	(1.55)%

For the first quarter, we performed in line with our Linked Benchmark. As expressed in our December 2024 letter, we expected to enter 2025 with increased market volatility due to uncertainties around global trade and tariff hikes as proposed by President Trump. Indian equities declined by over 11% through February, followed by a smart recovery to end the quarter as the worst of the ongoing earnings downgrade cycle is now likely behind. Green shoot signs of an economic recovery are emerging, driven by a rebound in government spending on productivity-enhancing infrastructure capex. During the period, India also announced significant tax cuts for the middle class which should further bolster economic growth. In addition, the Reserve Bank of India, India's central bank, kickstarted a monetary easing cycle by cutting repo rates by 25 basis points and injecting significant liquidity into the banking system. Such policy measures support our view of an earnings recovery going into the second half of 2025. From a trade perspective, India, compared to other emerging market peers, will be one of the least impacted from recently proposed U.S. tariffs given it is primarily a domestic consumer driven economy with a low share of global trade. Exports of goods to the U.S. account for only around 2% of India's GDP. **The Fund has a small allocation to export-oriented businesses, with minimal exposure to those that supply goods to the U.S.** Lastly, the recent weakness in the U.S. dollar, attributable to declining interest rate differentials between U.S. and international bond yields, coupled with a growing likelihood of a U.S. economic slowdown and/or recession, should be a relative tailwind for Indian equities and the Rupee.

Performance listed in the above table is net of annual operating expenses. The estimated gross annual expense ratio for the Retail Shares and Institutional Shares as of September 1, 2024 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.

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From a sector or theme perspective, our overweight positioning together with solid stock selection effect in the Financials sector, primarily attributable to our consumer finance theme (**Bajaj Finance Limited** (BFL) and **Cholamandalam Investment and Finance Company Limited** (Chola)), contributed the most to relative performance during the quarter. BFL, a leading non-bank financial company, leverages its proprietary data analytics platform to earn superior risk adjusted returns with an impressive ROE of over 20%. In our view, the company, under the leadership of Rajeev Jain and Anup Saha, has a best-in-class management team that has consistently delivered strong double-digit earnings growth and shareholder returns over the past decade. We are also excited about our investment in Chola, a leading financier of commercial vehicles, that is diversifying its product suite to include mortgages, personal loans, and SME (small enterprise) lending. We expect Chola to sustain roughly 20% compounded earnings growth over the next three to five years as its new business verticals become more profitable with increased scale and effective risk management. Favorable stock selection in the Industrials sector, driven primarily by our investment in **InterGlobe Aviation Limited** (IndiGo), also stood out as a key contributor to relative results. IndiGo is India's largest airline with over 60% market share. While we typically shy away from investing in airlines, we believe IndiGo is unique given its dominant position in a quasi-duopoly industry, wherein the top two players control over 90% of the market. India's aviation sector is expected to grow low teens over the next several years driven by rising discretionary incomes and improving airport infrastructure, especially in tier 2 and 3 cities. IndiGo is also competitively advantaged as it has one of the lowest industry cost structures in the world and primarily sources aircrafts from Airbus, which unlike its competitor, Boeing, has not suffered severe business disruptions. The company's key rival, Air India, that relies more on Boeing for new planes, is unable to add sufficient capacity in a fast-growing industry, further adding to IndiGo's moat. Lastly, our large overweight positioning in the Communication Services sector also bolstered relative performance during the period. Broadly offsetting the above was adverse stock selection effect in Consumer Discretionary (**Trent Limited** and **Zomato Limited**) and Information Technology (**Kaynes Technology India Limited**). Our underweight positioning combined with weak stock selection effect in the Materials sector also weighed on relative results.

Table II.
Top contributors to performance for the quarter ended March 31, 2025

	Contribution to Return (%)
Bajaj Finance Limited	1.54
Bharti Airtel Limited	0.87
Cholamandalam Investment and Finance Company Limited	0.77
InterGlobe Aviation Limited	0.70
Kotak Mahindra Bank Limited	0.53

Bajaj Finance Limited (BFL) is a leading non-bank financial company in India. Shares increased on strong quarterly earnings and signs of easing concerns about asset quality. The recently announced transition of long-time Managing Director Rajeev Jain to an Executive Vice Chairman role was also welcomed by investors, as the move ensures continuity. We retain conviction in BFL due to its best-in-class management team, robust long-term growth outlook, and conservative risk management frameworks. We think the company is well positioned to benefit from growing demand for consumer financial services such as mortgages and personal and credit card loans, among other related products.

Bharti Airtel Limited contributed during the quarter driven by steady earnings performance and visibility into strong future free cash flow generation, as the company has passed its peak capex intensity. As India's dominant mobile operator, Bharti Airtel is profiting 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.

Cholamandalam Investment and Finance Company Limited (Chola) is a leading non-bank financial services company in India. Chola's core business is vehicle finance, and it has diversified into other verticals, including loans against property, home mortgages, and loans to small and medium-sized businesses (SME), which help offset the cyclicality of its auto financing business. Shares rose on better-than-expected quarterly earnings and improving asset quality trends. We retain conviction. The company takes a conservative approach to loan underwriting and collections, and it has demonstrated strong asset quality trends through credit cycles. In our view, Chola is well positioned to benefit from growing demand for consumer financial services in India, and we are optimistic about several opportunities, including its newly launched unsecured consumer and SME loans product and further roll out of its home loans. We expect Chola to sustain 20% to 25% loan growth over the next three to five years while generating an attractive 20%-plus return of equity.

Table III.
Top detractors from performance for the quarter ended March 31, 2025

	Contribution to Return (%)
Trent Limited	-1.85
Kaynes Technology India Limited	-1.38
Zomato Limited	-1.10
Tata Consultancy Services Limited	-0.58
Aster DM Healthcare Limited	-0.53

Trent Limited is a leading retailer in India that sells private label apparel direct-to-consumer through its proprietary network. Shares were down this quarter on lower-than-expected quarterly sales due to soft consumer spending in India combined with some store upgrades and consolidations. We remain shareholders, as 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 operating leverage and a growing franchisee mix will lead to better profitability and return on capital, driving more than 30% EBITDA CAGR over the next three to five years.

Kaynes Technology India Limited is a leading electronics manufacturing service player in India, offering services across the automotive, industrial, railway, medical, and aerospace and defense industries. Shares were down this quarter due to lower-than-expected quarterly sales, as execution on a subset of industrial-related orders was temporarily delayed. We retain conviction in Kaynes Technology, as we believe it is well positioned to benefit from the government's Make in India initiative, which encourages domestic manufacturing of electronic components by providing attractive tax subsidies and manufacturing infrastructure. We are excited about the company's decision to set up an Outsourced Semiconductor Assembly and Test facility, which we believe represents significant incremental growth opportunity in the medium term. We expect the company to deliver over 30% compounded EBITDA growth over the next three to five years.

Zomato Limited is India's leading food delivery platform, with roughly 55% market share. Shares were down this quarter due to greater-than-expected losses in its quick commerce business, as the company increased investment amid rising competition. We retain conviction, as we believe Zomato is well positioned for the long term in the quick commerce industry, given its first-mover advantage, scale, and superior execution. We think Zomato will continue to benefit from structural growth in online food delivery in India, potentially doubling its revenue as well as improving profitability and growing earnings over the next three to five years.

Portfolio Structure

We combine a bottom-up investment approach with a thematic overlay to construct and manage a portfolio of high-quality, competitively advantaged companies located in India. Consistent with the "Baron Approach," we invest behind value-creating, private sector entrepreneurs with significant ownership stakes, whose businesses are either gaining market share, disrupting, or consolidating their respective industries. We leverage our deep relationships in India to discover and invest in growth-oriented businesses for the long term.

The Fund is a diversified, all-cap strategy with the flexibility to invest across market caps, especially in small- and mid-cap stocks where we see significant mispricing due to limited sell-side coverage and/or those that remain "under the radar." We typically invest across 30 to 50 stocks and concentrate capital toward our highest conviction ideas. As of March 31, 2025, we held 42 positions with our 10 largest investments comprising 53.2% of net assets.

Our principal investment themes with respective weightings (as of March 31, 2025) are as follows:

- **Consumer Finance (28.6% of net assets)**: *Low penetration levels; industry poised to grow mid-to high teens over the next several years; well managed private sector players to gain market share*
- **Digitization (25.2%)**: *India's rising middle class and smartphone penetration (over 700 million and growing) is creating significant opportunities across e-commerce, food tech, digital streaming, and fintech*
- **Formalization of the Economy (22.4%)**: *Economic reforms are accelerating formalization leading to market share gains for organized, branded players across various industries*
- **Power Reforms (6.2%)**: *Market friendly reforms along with growing demand for electricity in India (real estate, manufacturing, data centers, AC penetration) is necessitating a multi-year investment cycle in power generation and transmission*
- **Global Security/Supply Chain Diversification (5.7%)**: *Tectonic shifts in geopolitics are accelerating supply chain diversification (ex-China); significant opportunity for Indian players to gain market share in global supply chains*
- **Financialization of Savings (3.7%)**: *Structural shift in household savings from gold/real estate into financial products such as equities/life insurance savings policies; capital market proxies along with asset managers/life insurers to benefit*

We also segment the portfolio based on a S-curve analysis to serve as a form of risk management framework with respective weightings (as of March 31, 2025) as follows:

- **Phase 1 (6.0% of net assets): *"Under the Radar" or in "Investment Mode"*** *– a phase of market mispricing/time arbitrage and an opportunity for significant alpha generation as these businesses enter Phase 2*
- **Phase 2 (13.7%): *"Disruptors" or "Scale Builders"*** *– this is a period when our holdings should generate non-linear growth and continued alpha capture on price discovery, earnings upgrades, and/or market disruption*
- **Phase 3 (48.7%): *"Compounders"*** *– post scale up, our companies have gained durable competitive moats and are well positioned to compound capital and earnings over the next several years*
- **Phase 4 (23.4%): *"Market Performers/Mature Businesses"*** *– period of stable growth with good earnings visibility; allocation to this segment will be viewed from a risk management / portfolio beta perspective*

Table IV.
Top 10 holdings as of March 31, 2025

	Percent of Net Assets (%)
Bharti Airtel Limited	9.7
ICICI Bank Limited	6.6
Bajaj Finance Limited	6.4
InterGlobe Aviation Limited	4.8
HDFC Bank Limited	4.8
Max Healthcare Institute Limited	4.7
Reliance Industries Limited	4.3
Kotak Mahindra Bank Limited	4.1
Tata Consultancy Services Limited	4.0
Cholamandalam Investment and Finance Company Limited	3.9

Table V.
Fund investments in GICS sectors as of March 31, 2025

	Percent of Net Assets (%)
Financials	32.9
Communication Services	13.7
Industrials	10.7
Consumer Discretionary	8.1
Health Care	8.1
Information Technology	6.1
Energy	4.3
Consumer Staples	3.5
Utilities	2.7
Materials	0.9
Real Estate	0.9
Cash and Cash Equivalents	8.2
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 companies of all sizes in India can exhibit attractive growth potential. At the end of the first quarter of 2025, the Fund's median market cap was $12.8 billion, and we were invested 58.5% in giant-cap companies, 24.7% in large-cap companies, 7.4% in mid-cap companies, and 1.2% in small and micro-cap companies, as defined by Morningstar, with the remainder in cash.

Recent Activity

During the first quarter, we added three new investments to existing themes while also rebalancing weights of a few holdings based on company specific fundamentals. We strive to concentrate capital toward our highest conviction ideas.

We increased exposure to our consumer finance theme by initiating positions in **Kotak Mahindra Bank Limited** and **Bajaj Finserv Limited**. Kotak is India's fourth largest private sector bank. It offers products across various verticals including commercial banking, consumer finance, securities lending, investment banking, asset management, and life insurance. In our view, the company embodies the hallmarks of a high-quality bank, with a strong deposit franchise, robust capital base, and a prudent approach to risk management. Having navigated India's rapid consumer loan expansion with a cautious approach, Kotak is now well positioned to drive balance sheet growth from a position of strength, particularly as deteriorating asset quality begins to affect its peers. In addition, the Reserve Bank of India's recent decision to lift restrictions on digital client onboarding and credit card issuance marks a significant inflection point, enabling Kotak to expand its retail loan book more rapidly. This move not only allows the bank to acquire customers more cost-effectively but also strengthens its presence in the high-margin credit card segment, reinforcing its long-term growth trajectory. We believe Kotak is well positioned to sustain mid-teens earnings growth over the next three-to-five years, while also being less impacted from global trade related uncertainties given its focus on domestic consumption and corporate activity.

Bajaj Finserv is a leading financial services conglomerate and the parent entity of BFL, a top three position in the Fund. As a holding company, Bajaj Finserv has investments in various subsidiaries, which cater to over 100 million customers with a diversified product portfolio, helping individuals and businesses meet their financial and risk management goals. The company holds a 51% stake in BFL, a leading data-driven, non-bank financial company that offers housing loans, consumer durables financing, small- and medium-sized enterprise credit, and rural loans. Bajaj Finserv also owns and operates Bajaj Allianz Life Insurance Company (BALIC) and Bajaj Allianz General Insurance Company (BAGIC), which offer life, health, motor, and travel insurances. Indian households have historically carried very low debt. However, we believe the appetite for credit is changing, with growing demand for consumer loans and related services driven by a rising middle class with higher disposable incomes. Rising financialization of savings and increasing penetration of general insurance products such as health, property and casualty, and motor, together should create significant opportunities for BALIC and BAGIC, respectively. In our view, Bajaj Finserv is well positioned to capture the multi-year growth opportunity in financial services, with a diversified investment portfolio, best-in-class leadership team, and conservative risk management.

During the quarter, we also added to our formalization of the economy theme by building an investment in **HealthCare Global Enterprises Limited** (HCG), India's largest cancer specialty care hospital chain with approximately 2,500 beds. India is the most populous country in the world, and an estimated one in nine people will develop cancer over their lifetime. In addition, the country's cancer population is subject to significantly lower early-stage diagnosis and higher mortality rates compared to China and the U.S., due to low awareness, affordability, and availability of health care services. HCG addresses the under-served oncology market in India, operating 25 cancer centers across 10 states and serving both urban and rural regions. With the involvement of private equity investors, management has focused on cutting costs and improving return metrics following a period of debt-funded expansion. Going forward, we believe HCG will continue to turnaround acquired centers, improve profitability at greenfield sites, and drive operating leverage at mature facilities. We are excited about the multi-year growth opportunity that lies ahead for hospital services in India and believe HCG will be a key beneficiary of ongoing industry consolidation. We expect the company to deliver mid-teens compounded revenue growth and 18% to 20% compounded EBITDA growth over the next three-to-five years.

Finally, we added to several of our existing positions during the quarter, most notably **Cholamandalam Investment and Finance Company Limited**, **InterGlobe Aviation Limited**, **Tata Consumer Products Limited**, **Max Healthcare Institute Limited**, **Tata Consultancy Services Limited**, **Power Grid Corporation of India Limited**, and **Bharti Airtel Limited**. During the quarter, we also exited positions in **JM Financial Limited**, **Zen Technologies Limited**, **Neogen Chemicals Limited**, and **Avenue Supermarts Limited** due to uncertainties over durability of earnings growth and/or competitive positioning going forward.

Outlook

We are entering a period of increased market volatility as elevated global tariffs imposed by the Trump administration, if not remedied soon, will, in our opinion, most likely lead to a U.S. recession and a broad global slowdown. While we cannot predict policy outcomes, we feel confident about the Fund's thematic and bottom-up positioning with a key focus on risk management using our proprietary frameworks. **India, in our opinion, is the big "*relative winner*" as the country is one of the least impacted from a trade war, given that it is primarily a domestic consumer driven economy with a low share of global trade.** Goods exported to the U.S. account for only around 2% of India's GDP, and as per our preliminary assessment, the impact of announced tariffs will modesty impact GDP growth to the tune of 0.2% to 0.7%. Put another way, India's current real GDP growth trajectory will likely trend down from 6.5% to 7.0% to 6.0% to 6.5%, which still positions the country as the fastest growing large economy in the world. There are a few factors that could broadly offset the tariff impact. First, the U.S. and India are currently in active discussions to sign a Bilateral Trade Agreement (BTA) with a lofty goal to more than double trade to $500 billion by 2030. In our view, India will likely increase purchases of U.S. oil and gas, and defense equipment to narrow the current $46 billion trade surplus with the U.S. We are closely monitoring developments on this front as the execution of a BTA should trigger a meaningful reduction in tariffs and set the stage for increased bilateral trade - a win for both countries. Second, a global slowdown will have a deflationary impact on key imports for India, as is evident with the recent sharp correction in the price of crude oil and other commodities. A sustained weakness in energy prices will be a fiscal tailwind and boost consumption, as the country imports over 85% of its oil demand. Lastly, the recent correction in the U.S. dollar, attributable to declining interest rate differentials between U.S. and international bond yields, should be another relative tailwind for the Rupee, India's currency, and broadly for Indian equities.

From a bottom-up perspective, we have allocated capital toward our highest conviction ideas that are less impacted from external shocks and those that are primarily levered to India's domestic economic reforms and consumption plays. The Fund has a small allocation to export-oriented businesses, with minimal exposure to those that supply goods to the U.S. We have zero exposure to Indian pharmaceutical manufacturers that derive a material share of profits from U.S. sales. We are also underweight IT services providers whose forward earnings are increasingly at risk owing to a potential U.S. slowdown and/or recession. Our largest position, **Bharti Airtel Limited**, India's leading telecommunication services provider that is benefiting from industry consolidation and mobile tariff hikes, should experience little to no adverse impact from global trade tensions, and is increasingly being viewed as a safe haven investment by a critical mass of investors.

Going forward, we believe U.S.-India economic and military ties will further strengthen given tectonic shifts in the geopolitical landscape, especially amid rising tensions between the U.S. and China. We are witnessing a paradigm shift in global supply chains, as corporates diversify their manufacturing footprint and vendor relationships ex-China, which should position India as an attractive export hub over time. Apple is a prime example we highlight to investors - the company has increased its iPhone production in India from just 1–2% a few years ago to around 20% today. This mega trend is likely to further accelerate owing to the recent extraordinarily high tariffs (rate of 145% as we write this letter) imposed on most Chinese goods by President Trump. As we enter an increasingly deglobalized world and transition to a "multipolar or regional" trading order, India, in our opinion, will continue its rise on the global stage as the world's fastest growing large economy and source of opportunity for its trading partners. We believe "India is the New China" in such an environment.

We are optimistic and excited about India's long-term growth potential and view any short-term market corrections as an excellent opportunity for investors to establish positions in one of the world's most promising investment destinations. Over time, we believe India will become a dedicated asset class for global allocators given the superior risk adjusted returns generated over the past two plus decades, and the attractive growth outlook and geopolitical tailwinds that lie ahead.

Thank you for investing in Baron India Fund.

Sincerely,

Anuj Aggarwal
Portfolio Manager

Michael Kass
Portfolio Manager Adviser

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.

Alpha measures the difference between a fund's actual returns and its expected performance, given its level of risk as measured by beta. **Beta** explains common variation in stock returns due to different stock sensitivities to market or systematic risk that cannot be explained by the US Country factor. Positive exposure indicates high beta stock. Negative exposure indicates low beta stock.

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.

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Dear Baron Technology Fund Shareholder:

Performance

During the first quarter, Baron Technology Fund® (the Fund) fell 14.80% (Institutional Shares), underperforming the MSCI ACWI Information Technology Index (the Benchmark), which dropped 11.64%, and the S&P 500 Index, which declined 4.27%.

Table I.
Performance
Annualized for periods ended March 31, 2025

	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]	(14.79)%	(14.80)%	(11.64)%	(4.27)%	(1.32)%
One Year	9.45%	9.77%	3.76%	8.25%	7.15%
Three Years	10.73%	11.09%	10.49%	9.06%	6.91%
Since Inception (December 31, 2021)	3.97%	4.28%	6.05%	6.78%	4.58%

MICHAEL A. LIPPERT PORTFOLIO MANAGER
ASHIM MEHRA PORTFOLIO MANAGER
Retail Shares: BTEEX
Institutional Shares: BTECX
R6 Shares: BTEUX

Review and Outlook

Markets are often driven as much by sentiment as by fundamentals, and the first quarter of 2025 proved no exception. January brought strong performance for the Fund, propelled by investor enthusiasm for long-term secular growth trends – particularly around AI and its potential to transform most consumer and business activities. Optimism was further buoyed by expectations that the new Trump administration's policies – lower corporate tax rates, regulatory rollbacks, energy cost reductions, and government spending cuts – would accelerate economic growth. However, sentiment shifted abruptly in mid-February. Fears of tariffs, a potential global trade war, and geopolitical realignment reversed market gains, creating volatility reminiscent of the 2020 COVID crisis or the 2008-09 Great Financial Crisis.

To put it plainly, tariffs – a whirlwind of rumors, X posts, debates, and contradictory official statements – have dominated the narrative, as one observer quipped, "sucking the air out of the room." The past 60 days saw dramatic developments: the April 2 rollout of historically high "reciprocal" tariffs stunned markets, followed by a 90-day pause announced at midnight on April 10. Near-daily rumors of trade deals, tariff exclusions, and subsequent denials have kept volatility elevated. As events unfold, uncertainty remains the prevailing mood, challenging even the most resilient investors.

We don't believe Baron Funds shareholders are reading our quarterly letters for our analysis of tariffs or short-term calls on macro issues or market projections. But we do wish to address our high-level thinking and how we are researching, analyzing, and investing on your behalf in this environment.

Macro and Market

We have gained valuable experience from researching and investing through several different macro disruption and market-driven shocks, including the bursting of the Dot-Com bubble, the Great Financial Crisis, the COVID pandemic, and the 2022 tech "recession" and spike in interest rates. History

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 April 26, 2024 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 DM and 24 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.

rhymes but does not repeat. The current financial crisis is distinct from past ones. So, we are drawing on our lessons learned while adapting our approach to the unique dynamics of today.

By its executive orders and actions, the Trump administration may be attempting to usher in structural or systematic change – a new world order in terms of global trade relations and international diplomacy and alliances. We say "may be" because conditions have been changing on a dime, and no one knows the precise goals of the administration or can align conflicting policy objectives and statements by members of the administration, including the President himself. We have remained closely attuned to the current and potential measures taken by the administration and the debates and analyses of well-informed and experienced experts on all the issues at play. We have read countless reports, articles, papers, and notes, and listened to hours of interviews, podcasts, and debates. We have discussed and examined the current state of play, realistic scenarios, and potential consequences. But as Ron has steadfastly articulated for over 50 years,[4] we do not attempt to forecast or predict macroeconomic, political, or geopolitical outcomes, and this one might be more impossible to call than all the others we have lived through or learned about.

We believe it would be misleading to downplay concerns about the current landscape or to speculate on short-term market trends. The only forecaster with a good track record of identifying market tops or bottoms–or predicting the outcome of an economic shock like the current trade war–goes by the name "20/20 hindsight." But relative to current stock valuations, we believe our portfolio of secularly driven, competitively advantaged, cash-flow-generating businesses offers solid multi-year returns once the current volatility subsides and a broad range of new-normal scenarios emerge. We do hope the quote attributed to Winston Churchill proves prescient, even for the current cast of characters: "You can always count on Americans to do the right thing, after they've tried everything else."

Investment Strategy and Tactics

In today's volatile, headline-driven environment, we remain resolute in managing the Fund by focusing on what we can control: our long-term investment mandate, rigorous research, disciplined analysis, sound judgment, and strategic portfolio decisions. The Fund distinguishes itself through an unwavering focus on "where the world is headed, not where it's been" – capitalizing on powerful secular technology trends that disrupt industries and drive sustained, high-impact opportunities. While past macroeconomic shocks temporarily disrupted trends like the internet, mobile, cloud computing, and digital transformation, history shows these forces prevailed. We are confident the same resilience will hold today, despite potential obstacles. Transformative secular trends – such as AI; autonomous transportation; robotics; digital commerce, media, finance; cloud computing; and advanced semiconductors – will shape the future. As highlighted at last November's Baron Investment Conference and in recent letters, the most successful investments of the past half century thrived by harnessing technological breakthroughs and relentless secular trends that reshaped industries and transformed how we live and work.

We acknowledge that proposed tariffs and trade restrictions may pose short-term challenges for many of our portfolio companies. For instance, as we drafted this letter, the administration barred **NVIDIA Corporation** from selling its H20 chip – a lower-power, export-compliant version of its previous-generation technology – to China.[5] Tactically, we are rigorously assessing the resilience of our investments against tariffs, trade barriers, and the growth headwinds stemming from this uncertainty. We prioritize companies that combine macroeconomic resilience with enduring long-term growth and competitive advantages, particularly those poised to accelerate once the current uncertainty resolves, and new trade and geopolitical frameworks emerge.

We are actively engaging with our portfolio companies, asking our core long-term questions – spanning growth opportunities, competitive differentiation, product-market fit, go-to-market strategies, profitability, and capital allocation – while also probing potential tariff impacts, macroeconomic risks, and management contingency plans. Most management teams and companies reporting earnings acknowledge the prevailing uncertainty but note that current business trends remain stable, with tariff impacts deemed "too soon to assess."

We are actively refining our financial modeling and price target analysis, rigorously evaluating revenue projections, their translation to profits and cash flow, and testing conservative and downside scenarios as appropriate. We are testing scenarios discounting near-term growth over the next 12-18 months but projecting reaccelerating growth afterwards. We employ a "double math" approach for most portfolio companies, assessing the revenue growth, margins, and valuation multiples required for stocks to double in value over four to five years. In setting price targets, we are using more conservative financial projections and lower-end valuation multiples, while also calculating downside risks. This disciplined process aims to identify stocks with compelling risk/reward and upside/downside profiles. This work informs stock selection and portfolio construction.

Ultimately, we remain committed to investing in long-term secular winners with resilient products, revenue models, and management strategies, ensuring durability and growth through evolving market conditions.

AI

Given the importance of AI as (1) "the most powerful technology platform shift and secular growth driver since the advent of the internet itself,"[6] and (2) the predominant driver of stock leadership over the last two years, we would like to share a few high-level thoughts.

- The Trump administration's words and actions – including initiatives like Project Stargate and **Taiwan Semiconductor Manufacturing Company Limited**'s (TSMC) $100 million investment in U.S. advanced semiconductor manufacturing, alongside restrictions such as the H20 China ban – underscore a commitment to prioritizing AI for national and economic security and a broader goal of maintaining U.S. AI leadership. Heightened uncertainty persists, however, due to potential new tariffs and trade restrictions, particularly in relation to U.S.-China

4 In his June 2022 Letter from Ron, Ron explained: "In my 52-year Wall Street career, I have never known anyone to accurately and consistently predict markets…economies…interest rates…inflation…oil prices…wars…commodity prices…and election outcomes."

5 Following the H20 restriction, Wall Street analysts lowered their NVIDIA's 2025 revenue and earnings forecasts by 7% to 10% and by 3% to 5% for the subsequent two years. NVIDIA's stock dropped 9%, from about $112 to $101.50. Amid ongoing AI trade restriction uncertainty, FactSet estimates NVIDIA now trades at 18x consensus 2026 earnings, with a PEG ratio of just 0.6x.

6 Quoting the Baron Technology Fund June 30, 2024 letter.

dynamics, which could either isolate and restrain China's AI development or lead to a comprehensive bilateral agreement. This uncertainty has negatively influenced the valuations of AI industry leaders like NVIDIA, **Broadcom Inc.**, and TSMC. While near-term challenges may impact growth and earnings, we believe the long-term trajectory of AI as a transformative force remains enduring and will ultimately be supported by policies aimed at sustaining U.S. dominance in the sector.

- The quarter began with intense market speculation about DeepSeek and its potential to reshape AI development. To address this, we hosted a Thought Leadership Forum webinar, "DeepSeek Disillusion: Evaluating the Future of AI," on February 3, 2025, and published a related Baron Insights article in April.[7] Our perspective, as outlined in these works, remains unchanged. Key points include: (1) the market's response to DeepSeek was significantly overstated; (2) the arms race toward artificial general intelligence and artificial super intelligence continues unabated, with well-funded Western leaders like OpenAI, xAI, Anthropic, Alphabet (Google), Meta, **Microsoft Corporation**, and **Amazon.com, Inc.** leading the field, as none can afford to sit on the sidelines of this critical contest; (3) AI scaling laws remain robust, further strengthened by advancements in reasoning and long-thinking models; and (4) beyond consumer applications, like ChatGPT or Grok, innovations in agentic AI and physical AI are driving increased investment in the sector.
- Amid tariff uncertainty, some investors worry about a pause or digestion period in AI capital investment. However, public statements from management teams and our private discussions confirm robust AI capital investment plans for 2025, with strong demand projected through 2026. For instance, TSMC, a global leader in advanced AI semiconductor manufacturing, stated on its recent earnings call: "robust AI-related demand from our customers throughout 2025," "revenue from AI accelerators [will] double in 2025," "[r]ecent developments are also positive to AI's long-term demand outlook," and its capacity builds are "[s]till fully…for 2026," though its CEO noted he "cannot say the number." Moreover, xAI has been open regarding its plans to build the world's largest coherent AI training cluster at over 1 million H100 GPU equivalents, five times the size of its Colossus data center; and Sam Altman posted on X in February that OpenAI has "been growing a lot and are out of GPUs" and that "hundreds of thousands coming soon, and I'm pretty sure y'all will use every one we can rack up."
- Concerns about AI's return on investment persist among some investors, but industry leaders remain unfazed. NVIDIA CEO Jensen Huang declared on his latest earnings call: "No technology has ever had the opportunity to address a larger part of the world's GDP than AI." We believe this vision will prove true. Of the $110 trillion global GDP, tech spending accounts for just 5% – about $5.5 trillion – while human labor still represents about 45% to 50%. AI is the cornerstone of productivity-driven digital transformation. With advancements in agentic and physical AI gaining momentum, Microsoft CEO Satya Nadella's repeated prediction that tech spending should double over the foreseeable future appears to be a relatively easy target, with 15% to 20% of GDP not out of reach down the line. Five percent of global GDP is $5.5 trillion and 10% is $11 trillion – prize money no business race has ever rivaled.

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

- Cloud computing
- Software-as-a-service
- AI
- Mobile
- Semiconductors
- Digital media/entertainment
- E-commerce
- Cybersecurity
- Electric vehicles (EVs)/autonomous driving
- Electronic payments
- Robotics
- Targeted digital advertising

We continue to run a high-conviction portfolio, with an emphasis on the secular megatrends cited and listed. Among others, during the fourth quarter we initiated or increased positions in the following names:

- Financial technology: **LPL Financial Holdings Inc.**
- Software: **Atlassian Corporation Plc, Samsara Inc., PAR Technology Corporation, Cloudflare, Inc., Datadog, Inc., GitLab Inc., Shopify Inc.,** and **Snowflake Inc.**
- Digital advertising: **The Trade Desk** and **Reddit, Inc.**
- Public safety technology: **Axon Enterprise, Inc.**
- Semiconductors & semiconductor equipment: **NVIDIA Corporation, Broadcom Inc., Nova Ltd., Monolithic Power Systems, Inc., Taiwan Semiconductor Manufacturing Company Limited, Park Systems Corporation,** and **HPSP Co., Ltd.**
- Networking technology: **Arista Networks, Inc.**
- Data center infrastructure: **Vertiv Holdings Co**

Table II.
Top contributors to performance for the quarter ended March 31, 2025

	Contribution to Return (%)
Spotify Technology S.A.	0.90
CoStar Group, Inc.	0.14
GDS Holdings Limited	0.11
Zscaler, Inc.	0.11
Guidewire Software, Inc.	0.06

Spotify Technology S.A. is the leading global digital music platform, offering on-demand audio streaming through both paid premium subscriptions and an ad-supported tier. Shares of Spotify rose following another strong quarterly result, marked by a significant gross margin beat and healthy expansion in operating margins. The company's compelling value proposition has allowed it to begin flexing pricing power, introducing additional price increases across various global markets. Notably, user growth remains robust despite these hikes, underscoring the strength of the platform. We believe Spotify will continue to leverage its pricing power as it enhances its offering with new features such as audiobooks, AI-driven personalization, a forthcoming "Super Premium" tier, and potentially an education-focused product. In addition to a solid top line and improving margins, the company generated a record $2.3 billion in free cash flow in 2024, reflecting growing scale and discipline in execution. Looking ahead, we see a path toward 35% gross margins, driven by continued growth in high-

[7] Both can be found on the Baron website at baroncapitalgroup.com.

margin areas including its marketplace, advertising, podcasts, and audiobooks. Operating efficiency remains a strategic focus. Compared to many other consumer discretionary and tech names, Spotify has traded more defensively, aided by the platform's strong consumer retention and resilient financial characteristics. We expect the company to sustain positive earnings growth, supported by both company-specific drivers and broader industry tailwinds. The launch of the Super Premium tier – expected this year in North America and globally – should be materially accretive to profitability and free cash flow over time. We continue to view Spotify as a long-term winner in music and audio streaming, with the potential to scale to over 1 billion monthly active users.

CoStar Group, Inc. is the leading provider of information and marketing services to the commercial and residential real estate industry. Shares rose on an increase in the productivity of CoStar's sales force and signs of a start to the recovery of the commercial real estate market. Mixed results around net new sales following CoStar's significant investment in residential product Homes.com had pressured shares. We remain encouraged by growth in both traffic and brand awareness for the new product and are optimistic that the build out of a dedicated sales team as well as the potential benefits of changes in Multiple Listing Service practices will improve residential sales momentum. We also believe growth in CoStar's non-residential business is poised to accelerate. Sales productivity has begun to improve as salespeople return to exclusively selling their core product, and we expect this to be amplified as the sales force expands by 20% or more in 2025. We believe the value of CoStar's core non-residential business exceeds the share price, implying that investors ascribe negative value to the residential opportunity.

GDS Holdings Limited is a leading data center operator in Tier 1 cities in China, with a growing presence across Asia through its now de-consolidated international business, DayOne. Shares performed well in February, driven by early signs of AI-related demand – highlighted by a major 152-megawatt deal with a leading cloud hyperscaler, Alibaba – and optimism around accelerating growth in its international business. Investor sentiment was further supported by stronger-than-expected capex from Alibaba, signaling a potential rebound in hyperscale demand, and by the monetization of select assets at premium valuations through a REIT transaction anchored by one of China's largest life insurers. However, shares gave back gains in March as concerns resurfaced around potential elevated capital needs to serve a higher level of demand, as well as broader macro risks. Specifically, investors grew increasingly wary of renewed threats on further NVIDIA chip restrictions, overall tightening trade restrictions, and the uncertain trajectory of U.S. – China geopolitical relations. Despite near-term volatility, we remain constructive on the stock and fundamentals. GDS trades at an undemanding valuation, with clear catalysts ahead: accelerating revenue, progress toward deleveraging, and significant embedded value in its international operations. With durable secular tailwinds in cloud computing and AI infrastructure, and deep relationships with leading technology firms in China and the U.S., GDS remains well positioned for long-term value creation.

Table III.
Top detractors from performance for the quarter ended March 31, 2025

	Contribution to Return (%)
Broadcom Inc.	–1.90
NVIDIA Corporation	–1.88
Amazon.com, Inc.	–1.16
Tesla, Inc.	–1.13
Arista Networks, Inc.	–1.07

Broadcom Inc. is a leading fabless semiconductor and enterprise software company, with approximately 60% of revenue generated from semiconductors and 40% from software. The company's focus on high-performance AI compute and networking solutions, coupled with its disciplined execution in software, positions it as a strategic leader in critical technology markets. Broadcom delivered a strong quarter, beating expectations for both semiconductors and software. AI remained the key growth engine – reaching a $4.1 billion quarterly run rate, up 77% year-over-year – driving a solid ramp in semiconductor revenue, even as non-AI segments like wireless and industrial declined. Software surged, fueled by VMware integration and a shift to subscriptions. Management projected continued AI momentum and steady software execution, with a more pronounced AI ramp expected in the second half. Despite strong quarterly results, the stock retreated amid the same AI-related skepticism as NVIDIA, but primarily due to the broad market pullback on tariff and trade-relations concerns. We remain confident Broadcom is on track to win with its three custom AI accelerator customers and will capture the majority share in the custom-compute space. Broadcom's lead customer, Google, just rolled out its 7th generation TPU, nicknamed Ironwood, and as Broadcom's two unnamed (but well speculated) non-Google customers gain traction, confidence in the broader pipeline of four additional partners should strengthen, supporting continued growth in Broadcom's AI business. We spent two hours with Broadcom's CEO Hock Tan in March, and he told us in no uncertain terms that "all of them will aggressively ramp and push custom accelerators."

NVIDIA Corporation is a semiconductor and systems company specializing in compute and networking systems for accelerated computing. Its unmatched leadership in AI infrastructure, spanning GPUs, systems, software and networking solutions, continues to drive robust performance. However, NVIDIA's stock came under pressure during the quarter, as media and investor narratives shifted toward skepticism, ranging from concerns over slower AI adoption to DeepSeek-related fears that future AI training and inference workloads may become more compute-efficient, reducing demand of accelerated computing systems. As discussed above, we believe these concerns are premature. Training cluster buildouts are progressing in line with expectations, while inference will progressively and steadily scale with usage as enterprises integrate AI into real-world workflows and consumers continue to adopt AI applications, such as ChatGPT, Grok, and Perplexity, to name just a few. Moreover, as we shift from standard Gen 1 ("gut based") AI models to reasoning Gen 2 (long thinking) models, the query response can demand about 100 times more inference compute to provide a better answer. In contrast to these skeptical narratives, NVIDIA delivered a strong January 2025 quarter, which exceeded Street expectations, driven by data center compute revenues growing 93% year over year to $35.6 billion, with $11 billion of revenue from NVIDIA's new Blackwell architecture, the fastest product ramp in the company's history. On the February earnings call and at the GTC conference in March, CEO Jensen Huang reiterated a number of NVIDA growth drivers, including: (1) accelerated (GPU-based) computing architectures replacing legacy (CPU-based) computing architectures; (2) multiple generative AI scaling laws, including pre-training (more data, more compute, smarter models), post-training using reinforcement learning from human and AI feedback, and inference with test-time, long-reasoning compute; (3) agentic AI (autonomous, non-human workers); and (4) physical AI (robots, EVs, etc.).

Amazon.com, Inc. is the world's largest retailer and cloud services provider. Shares declined during the quarter after management guided to higher-than-expected capital expenditures of $105 billion for 2025, largely driven by AI investments. Most recently, investor sentiment has been weighed down by renewed concerns around tariffs and U.S.–China trade tensions. If implemented, these could lead to higher retail input costs – particularly as over 30% of Amazon's third-party sellers are based in China – and potentially dampen consumer spending. In the cloud business, macro uncertainty could delay enterprise IT spending and elongate sales cycles for Amazon Web Services (AWS). Despite short-term uncertainties, we remain confident in Amazon's long-term positioning. The company has repeatedly proven its ability to navigate complex environments and emerge stronger. Amazon continues to deliver solid operating results across its core segments. Profitability in North American retail, AWS, and international retail has improved, supported by disciplined cost management and operational efficiencies. We expect the company to continue to gain share in e-commerce, supported by unmatched logistics scale and infrastructure, while AWS is well positioned to be a long-term leader in generative AI given its technical capabilities and cloud footprint.

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 first quarter, the largest market cap holding in the Fund was $3.3 trillion and the smallest was $424 million. The median market cap of the Fund was $30.7 billion and the weighted average market cap was $910.4 billion.

We had investments in 43 unique companies. Our top 10 positions accounted for 56.2% of net assets.

To end the quarter, the Fund had $50.4 million in net assets. Despite the market backdrop, Fund flows were modestly positive to begin the year.

Table IV.
Top 10 holdings as of March 31, 2025

	Quarter End Market Cap ($ billions)	Quarter End Investment Value ($ millions)	Percent of Net Assets (%)
NVIDIA Corporation	2,644.5	5.2	10.3
Amazon.com, Inc.	2,016.3	4.7	9.3
Spotify Technology S.A.	112.1	3.8	7.5
Broadcom Inc.	787.2	3.4	6.7
Apple Inc.	3,336.9	2.5	5.0
Microsoft Corporation	2,790.6	2.5	5.0
Taiwan Semiconductor Manufacturing Company Limited	861.0	2.1	4.3
Tesla, Inc.	833.6	1.4	2.8
Duolingo, Inc.	14.0	1.4	2.8
PAR Technology Corporation	2.5	1.3	2.6

Table V.
Fund investments in GICS industries as of March 31, 2025

	Percent of Net Assets (%)
Semiconductors & Semiconductor Equipment	27.6
Software	21.1
Broadline Retail	9.3
Entertainment	7.5
Technology Hardware Storage & Peripherals	5.0
IT Services	4.6
Electronic Equipment Instruments & Components	3.7
Automobiles	2.8
Diversified Consumer Services	2.8
Communications Equipment	2.1
Real Estate Management & Development	2.0
Hotels Restaurants & Leisure	2.0
Interactive Media & Services	1.7
Media	1.7
Capital Markets	1.4
Aerospace & Defense	1.4
Personal Care Products	1.0
Electrical Equipment	0.9
Construction & Engineering	0.9
Cash and Cash Equivalents	0.5
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 March 31, 2025

	Quarter End Market Cap ($ billions)	Net Amount Purchased ($ thousands)
NVIDIA Corporation	2,644.5	1,731.8
Broadcom Inc.	787.2	1,141.0
Atlassian Corporation Plc	55.6	804.1
The Trade Desk	27.1	767.4
Nova Ltd.	5.4	695.6

Regarding **NVIDIA Corporation** and **Broadcom Inc.**, please see the write-ups in the detractor section.

We added to the Fund's position in **Atlassian Corporation Plc**, a mission-driven software company redefining how modern teams collaborate, build, and support software. Atlassian is best known for its developer tools – Jira, Confluence, and Jira Service Management – but we believe it is entering a new phase of platform growth driven by AI, deeper enterprise monetization, and a powerful cloud migration cycle. Despite a roughly $60 billion market cap and over 300,000 customers, the company's long-term opportunity remains underappreciated. Fewer than 600 customers today generate over $1 million in annual contract value, suggesting substantial whitespace across the installed base. As Atlassian moves upmarket and transforms into a platform powering the full software development lifecycle, we believe this can be a multi-year compounder. Our thesis is premised on the following drivers:

1. AI-Led Product Reinvention: Atlassian is embedding AI deeply across its product suite as a core part of the user experience. Its new AI platform,

Rovo, acts as a connective tissue across Atlassian tools, providing semantic search, intelligent summarization, auto-generated documentation, and proactive support-ticket triage. Combined with Atlassian Intelligence, which powers task automation and decision support, the company is delivering tangible productivity gains to both technical and non-technical users. While Rovo is still early, it has the potential to transform how teams discover knowledge, coordinate work, and automate support – making Atlassian a true AI-native enterprise software platform. We expect monetization scale as AI capabilities and consumption expands, particularly within large enterprises.

2. Cloud Migration and Monetization Tailwind: Atlassian is still transitioning its large customers from on-premises deployments to the cloud – a move that brings better pricing leverage, increased cross-sell potential, and more seamless product integration. While migrations have been lumpy to date, the final enterprise blockers (security, compliance, scale) have now been addressed. The company has rolled out three distinct cloud architectures: multi-tenant, government-compliant, and isolated environments for regulated industries. We expect a meaningful acceleration in large-scale migrations beginning in the second half of 2025 and continuing through 2026. Based on our customer checks, Atlassian per user pricing is quite low against the value provided, a dynamic that should enable the company to drive meaningful pricing leverage as cloud and AI modules penetrate the user base.

3. Structural Growth Reacceleration: After a transition year in fiscal year 2024, we believe revenue growth is poised to reaccelerate to the 20% or higher level, driven by continued cloud migrations, AI adoption, penetration of non-technical users, and cross-sell and upsell opportunities.

The Trade Desk is the leading demand-side platform (DSP) in internet advertising, enabling agencies and brands to efficiently plan, buy, and measure digital advertising across desktop, mobile, online video, and Connected TV (CTV). Shares declined meaningfully during the quarter following the company's first earnings miss in 33 quarters as a public company, along with forward guidance that came in slightly below investor expectations. The company cited several factors contributing to the softer outlook, including delays in the rollout of its next-generation Kokai platform, which advertisers use to manage their campaigns, as well as a strategic realignment of the sales organization to improve focus on the world's largest advertisers.

Investor concerns were compounded by fears that Amazon may become a more aggressive competitor and by broader macroeconomic uncertainty leading to lower advertising spend. In response to these developments and the meaningful stock price move, we conducted a deep re-examination of Trade Desk's business and our investment case, dedicating significant resources to reevaluate the company's long-term growth potential, profitability trajectory, competitive positioning, business model, and valuation. Our work included conversations with customers, competitors, venture capital investors, and other industry participants. Based on this research, we reached several conclusions:

1. Kokai Rollout Progress: The Kokai platform is now on track to achieve 90% adoption by year-end, in line with company targets. Advertiser feedback has been notably positive, with many citing high incremental returns on ad spend, which we expect will lead to increased client budgets over time. Deployment bottlenecks are resolving more quickly, and customers are moving onto the platform at an accelerating pace.

2. Enterprise Sales Focus Gaining Traction: The strategic pivot to focus on large global advertisers is already producing early results. This customer segment offers greater long-term revenue potential and a stronger pipeline of campaigns for the second half of the year.

3. Competitive Landscape Remains Favorable: While Amazon's push into the DSP space has raised concerns, we view the threat in a similar light to prior moves by Google, which offered free or discounted tools to entice advertisers. In both cases, the market has shown a strong preference for independent and objective platforms that are not vertically integrated with media owners. We believe large advertisers will continue to value Trade Desk's independence, transparency, and neutrality – critical differentiators in a fragmented and complex ecosystem.

4. Short-term Macro versus Long-term Opportunity: The most tangible and immediate headwind is the macroeconomic environment, particularly the potential for softer ad budgets in the near term. This may cause shares to remain under pressure in the short run. However, we believe the long-term opportunity remains compelling, and valuation is now attractive relative to the company's intrinsic value and market position. As such, we added to our position during the quarter and may look to add further should the stock retrace again.

Despite near-term uncertainty, we remain confident in Trade Desk's structural advantages. The company is uniquely positioned to benefit from secular tailwinds in CTV advertising, driven by the ongoing shift from linear TV to streaming. As more households cut the cord and as platforms like Netflix, Spotify, and Pinterest open their inventory to programmatic buying, Trade Desk stands to gain incremental demand through these partnerships. Over the long term, we continue to view Trade Desk as one of the most differentiated platforms in digital advertising, supported by its proprietary technology, scaled infrastructure, and a roughly 10% share of the $100 billion and growing programmatic market – a segment that remains a small but expanding portion of the $700 billion global advertising landscape.

Table VII.
Top net sales for the quarter ended March 31, 2025

	Quarter End Market Cap or Market Cap When Sold ($ billions)	Net Amount Sold ($ thousands)
Microsoft Corporation	2,790.6	1,296.4
Apple Inc.	3,336.9	832.7
GDS Holdings Limited	4.9	811.6
ASML Holding N.V.	273.1	708.1
Cadence Design Systems, Inc.	66.1	545.6

In the software space, we trimmed our **Microsoft Corporation** position and exited our **Cadence Design Systems, Inc.** holdings to spread investments around our favorite growth software names, including, **Atlassian Corporation plc**, **The Trade Desk**, **Samsara Inc.**, **PAR Technology Corporation**, **Cloudflare, Inc.**, **Shopify Inc.**, and **GitLab Inc.**, when their stocks retreated during the quarter.

In the semiconductor equipment space, we sold **ASML Holding N.V.** and redeployed some of that capital into initiating an investment in **Nova Ltd.**, a company Baron Discovery Fund has been an investor in for many years, and which has long been on our watch list.

We also trimmed positions in **Apple Inc.** and **GDS Holdings Limited**, and utilized that cash to add to our exposure in semiconductors and software as discussed above.

Looking ahead, our focus is unwavering: owning category-defining technology businesses that sit at the heart of durable, secular growth trends. Led by visionary, execution-driven management teams, these companies convert breakthrough innovation into expanding free cash flow. We believe this combination uniquely positions the Fund to compound our investors' capital over the long term.

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.

As of March 31, 2025, the fund did not hold shares of X.AI Holdings Corp.

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.

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).

Portfolio Market Capitalization

Baron Asset Fund

Baron Asset Fund is a diversified fund that 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.	$349,102^	5.3%
The Charles Schwab Corporation	145,950	2.9
Spotify Technology S.A.	112,121	1.4
X.AI Holdings Corp.	104,000^	3.1
Welltower Inc.	98,255	0.6
Amphenol Corporation	79,481	2.8
Equinix, Inc.	79,360	1.0
Roper Technologies, Inc.	63,312	3.4
Hilton Worldwide Holdings Inc.	54,524	0.2
Fair Isaac Corporation	45,031	3.5
MSCI Inc.	43,884	0.7
Verisk Analytics, Inc.	41,749	5.7
Axon Enterprise, Inc.	40,300	0.7
CBRE Group, Inc.	39,239	1.7
Veeva Systems Inc.	37,685	1.7
Quanta Services, Inc.	37,669	1.8
Arch Capital Group Ltd.	36,136	4.9
argenx SE	35,962	0.2
IDEXX Laboratories, Inc.	34,032	5.5
Willis Towers Watson Public Limited Company	33,586	0.7
CoStar Group, Inc.	33,416	4.3
Tradeweb Markets Inc.	32,429	1.2
Gartner, Inc.	32,244	8.2
Vertiv Holdings Co	27,492	0.5
The Trade Desk	27,146	0.7
Rollins, Inc.	26,209	1.8
Mettler-Toledo International Inc.	24,611	4.4
VeriSign, Inc.	24,016	0.4
CDW Corporation	$21,233	0.9%
SS&C Technologies Holdings, Inc.	20,589	0.9
StubHub Holdings, Inc.	19,767^	1.4
FactSet Research Systems Inc.	17,290	2.3
The Cooper Companies, Inc.	16,868	1.6
DraftKings Inc.	16,272	0.2
TransUnion	16,195	1.6
West Pharmaceutical Services, Inc.	16,185	1.3
Guidewire Software, Inc.	15,716	5.5
On Holding AG	14,223	1.2
Duolingo, Inc.	14,050	0.2
IDEX Corporation	13,671	0.9
Booz Allen Hamilton Holding Corporation	13,245	0.5
Morningstar, Inc.	12,844	1.2
Hyatt Hotels Corporation	11,779	1.6
SailPoint, Inc.	10,436	0.3
Procore Technologies, Inc.	9,898	0.8
Bio-Techne Corporation	9,269	1.5
Dayforce, Inc.	9,231	2.2
Floor & Decor Holdings, Inc.	8,659	0.4
Birkenstock Holding plc	8,612	0.4
ServiceTitan, Inc.	8,554	0.6
Choice Hotels International, Inc.	6,205	1.7
Vail Resorts, Inc.	5,975	1.9
		100.0%*

* Individual weights may not sum to displayed total due to rounding.
^ Estimate based upon available information.

Baron Growth Fund

Baron Growth Fund is a diversified fund that 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
MSCI Inc.	$43,884	11.4%
Arch Capital Group Ltd.	36,136	13.3
IDEXX Laboratories, Inc.	34,032	2.4
CoStar Group, Inc.	33,416	6.0
Gartner, Inc.	32,244	8.8
ANSYS, Inc.	27,747	2.6
Mettler-Toledo International Inc.	24,611	1.1
FactSet Research Systems Inc.	17,290	7.2
The Carlyle Group Inc.	15,745	0.9
Guidewire Software, Inc.	15,716	2.6
Gaming and Leisure Properties, Inc.	13,989	4.1
Morningstar, Inc.	12,844	4.5
Kinsale Capital Group, Inc.	11,344	7.2
Houlihan Lokey, Inc.	11,328	1.2
Primerica, Inc.	9,461	5.7
Bio-Techne Corporation	9,269	1.5
Bright Horizons Family Solutions, Inc.	7,286	0.6
Clearwater Analytics Holdings, Inc.	$6,730	0.1%
Choice Hotels International, Inc.	6,205	6.4
Vail Resorts, Inc.	5,975	5.2
Red Rock Resorts, Inc.	4,599	1.6
Moelis & Company	4,383	0.3
Cohen & Steers, Inc.	4,091	2.1
Iridium Communications Inc.	2,971	2.6
Neogen Corp.	1,881	0.2
Krispy Kreme, Inc.	838	0.2
FIGS, Inc.	746	0.9
Farmers Business Network, Inc.	500^	0.0**
Northvolt AB	0	0.0
		100.7%*

* Individual weights may not sum to displayed total due to rounding.
^ Estimate based upon available information.
** Rounds to less than 0.1%.

Baron Small Cap Fund

Baron Small Cap Fund is a diversified fund that 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	$77,581	3.7%
Waste Connections, Inc.	50,430	1.2
IDEXX Laboratories, Inc.	34,032	0.3
Gartner, Inc.	32,244	5.3
Vertiv Holdings Co	27,492	4.8
The Trade Desk	27,146	1.0
DexCom, Inc.	26,777	0.8
Mettler-Toledo International Inc.	24,611	0.8
Liberty Media Corporation-Liberty Formula One	22,139	2.4
DraftKings Inc.	16,272	0.8
Guidewire Software, Inc.	15,716	5.0
ICON Plc	14,132	3.0
Kinsale Capital Group, Inc.	11,344	5.8
Houlihan Lokey, Inc.	11,328	2.2
RBC Bearings Incorporated	10,118	2.1
Dayforce, Inc.	9,231	1.5
Floor & Decor Holdings, Inc.	8,659	1.0
Planet Fitness, Inc.	8,152	3.0
HealthEquity, Inc.	7,644	1.8
Bright Horizons Family Solutions, Inc.	7,286	2.5
Clearwater Analytics Holdings, Inc.	6,730	1.8
Chart Industries, Inc.	6,596	2.7
JBT Marel Corporation	6,340	2.3
Liberty Media Corporation-Liberty Live	6,262	0.5
Trex Company, Inc.	6,230	0.8
SiteOne Landscape Supply, Inc.	5,461	2.8
The Baldwin Insurance Group, Inc.	5,255	3.6
Cognex Corporation	5,052	1.5
Installed Building Products, Inc.	4,760	1.6
Inspire Medical Systems, Inc.	$4,740	0.8%
Madison Square Garden Sports Corp.	4,675	1.2
Intapp, Inc.	4,635	2.6
Red Rock Resorts, Inc.	4,599	3.6
Kratos Defense & Security Solutions, Inc.	4,538	2.0
Karman Holdings Inc.	4,417	0.8
Exponent, Inc.	4,119	0.6
RadNet, Inc.	3,681	0.9
JFrog Ltd.	3,666	0.9
Enpro Inc.	3,404	0.6
Avient Corporation	3,401	1.2
nCino Inc.	3,181	1.0
ASGN Incorporated	2,811	2.3
Driven Brands Holdings Inc.	2,808	2.3
The Cheesecake Factory, Inc.	2,513	2.3
GCM Grosvenor Inc.	2,502	0.8
PAR Technology Corporation	2,467	0.8
First Advantage Corporation	2,445	1.4
ODDITY Tech Ltd.	2,415	1.3
UTZ Brands, Inc.	1,991	1.2
Neogen Corp.	1,881	1.2
Grid Dynamics Holdings, Inc.	1,312	1.3
Janus International Group, Inc.	1,010	0.9
Repay Holdings Corporation	543	0.6
indie Semiconductor, Inc.	424	0.3
Holley Inc.	308	0.3
		99.4%*

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

Baron Opportunity Fund

Baron Opportunity Fund is a diversified fund that 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.	$3,336,853	4.8%
Microsoft Corporation	2,790,643	7.2
NVIDIA Corporation	2,644,472	10.2
Amazon.com, Inc.	2,016,324	6.8
Meta Platforms, Inc.	1,460,300	5.2
Taiwan Semiconductor Manufacturing Company Limited	860,967	1.6
Tesla, Inc.	833,593	4.3
Broadcom Inc.	787,247	4.5
Visa Inc.	704,353	2.4
Mastercard Incorporated	499,726	2.1
Space Exploration Technologies Corp.	349,102^	5.2
Intuitive Surgical, Inc.	177,443	1.5
ServiceNow, Inc.	164,960	1.7
Shopify Inc.	123,621	1.9
Spotify Technology S.A.	112,121	4.5
X.AI Holdings Corp.	104,000^	1.6
Arista Networks, Inc.	97,712	0.9
Atlassian Corporation Plc	55,599	1.8
Snowflake Inc.	48,832	1.2
Cloudflare, Inc.	38,887	1.5
argenx SE	35,962	2.8
Datadog, Inc.	34,006	1.3
CoStar Group, Inc.	33,416	2.7
Gartner, Inc.	32,244	2.0
Zscaler, Inc.	$30,701	1.2%
HubSpot, Inc.	29,795	1.0
Monolithic Power Systems, Inc.	27,761	1.0
Vertiv Holdings Co	27,492	0.8
The Trade Desk	27,146	1.4
LPL Financial Holdings Inc.	24,399	1.7
Samsara Inc.	21,822	1.4
CyberArk Software Ltd.	16,717	1.2
Guidewire Software, Inc.	15,716	1.6
Duolingo, Inc.	14,050	1.1
GitLab Inc.	7,708	0.9
Nova Ltd.	5,397	0.8
GDS Holdings Limited	4,924	1.4
Arcellx, Inc.	3,604	1.0
Viking Therapeutics, Inc.	2,711	0.5
PAR Technology Corporation	2,467	0.9
ODDITY Tech Ltd.	2,415	0.5
Farmers Business Network, Inc.	500^	0.2
indie Semiconductor, Inc.	424	0.9
GM Cruise Holdings LLC	—“	0.0**
		99.7%*

* Individual weights may not sum to displayed total due to rounding.
^ Estimate based upon available information.
“ Market information not available.
** Rounds to less than 0.1%.

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. capitalization.

Company	Equity Market Cap (in millions)	% of Total Investments
Tesla, Inc.	$833,593	30.6%
Space Exploration Technologies Corp.	349,102^	18.1
The Charles Schwab Corporation	145,950	4.6
Spotify Technology S.A.	112,121	1.6
X.AI Holdings Corp.	104,000^	0.8
MSCI Inc.	43,884	2.0
Arch Capital Group Ltd.	36,136	7.9
IDEXX Laboratories, Inc.	34,032	3.5
CoStar Group, Inc.	33,416	7.4
HEICO Corporation	32,407	0.8
Gartner, Inc.	32,244	3.7
StubHub Holdings, Inc.	19,767^	0.7
FactSet Research Systems Inc.	$17,290	3.9%
Guidewire Software, Inc.	15,716	2.2
Gaming and Leisure Properties, Inc.	13,989	1.2
Hyatt Hotels Corporation	11,779	5.4
Birkenstock Holding plc	8,612	1.0
Vail Resorts, Inc.	5,975	3.1
Red Rock Resorts, Inc.	4,599	1.1
Iridium Communications Inc.	2,971	0.5
Northvolt AB	0	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 is a diversified fund that 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 Total Investments
NVIDIA Corporation	$2,644,472	9.4%
Amazon.com, Inc	2,016,324	9.0
Alphabet Inc.	1,894,486	3.2
Meta Platforms, Inc.	1,460,300	8.6
Taiwan Semiconductor Manufacturing Company Limited	860,967	3.1
Tesla, Inc.	833,593	3.2
Eli Lilly and Company	782,954	1.6
Space Exploration Technologies Corp.	349,102^	1.6
ASML Holding N.V.	279,045	2.2
Intuitive Surgical, Inc.	177,443	5.3
ServiceNow, Inc.	164,960	4.0
Shopify Inc.	123,621	7.4
KKR & Co. Inc.	102,691	2.6
MercadoLibre, Inc.	98,904	4.5
CrowdStrike Holdings, Inc.	87,395	1.6
X.AI Holdings Corp.	104,000^	1.0
Atlassian Corporation Plc	55,599	2.2
Snowflake Inc.	48,832	3.2
Adyen N.V.	$48,078	2.1%
Coupang, Inc.	39,594	2.4
Cloudflare, Inc.	38,887	4.4
Veeva Systems Inc.	37,685	1.5
argenx SE	35,962	3.2
Datadog, Inc.	34,006	2.6
Block, Inc.	33,656	2.0
The Trade Desk	27,146	2.0
Samsara Inc.	21,822	3.1
Illumina, Inc.	12,568	0.9
Mobileye Global Inc.	11,685	1.0
GitLab Inc.	7,708	1.0
Grail, Inc.	866	0.0**
GM Cruise Holdings LLC	—"	0.0**
		99.8%*

* Individual weights may not sum to displayed total due to rounding.
^ Estimate based upon available information.
" Market information not available.
** Rounds to less than 0.1%.

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 Total Investments
Tesla, Inc.	$833,593	7.5%
Space Exploration Technologies Corp.	349,102^	11.3
Shopify Inc.	123,621	3.0
Spotify Technology S.A.	112,121	6.8
X.AI Holdings Corp.	104,000^	2.9
Airbnb, Inc.	76,648	0.8
Interactive Brokers Group, Inc.	70,474	4.2
MSCI Inc.	43,884	4.0
Verisk Analytics, Inc.	41,749	2.9
Arch Capital Group Ltd.	36,136	4.1
IDEXX Laboratories, Inc.	34,032	4.4
CoStar Group, Inc.	33,416	4.4
Live Nation Entertainment, Inc.	30,478	1.6
ANSYS, Inc.	27,747	1.5
Las Vegas Sands Corporation	27,657	2.3
FactSet Research Systems Inc.	17,290	2.7
Guidewire Software, Inc.	$15,716	4.9%
On Holding AG	14,223	4.8
Hyatt Hotels Corporation	11,779	4.2
Jefferies Financial Group Inc.	11,043	0.9
Birkenstock Holding plc	8,612	3.4
Choice Hotels International, Inc.	6,205	2.5
Vail Resorts, Inc.	5,975	4.2
Red Rock Resorts, Inc.	4,599	3.5
Iridium Communications Inc.	2,971	1.1
Douglas Emmett, Inc.	2,679	1.1
Krispy Kreme, Inc.	838	0.2
FIGS, Inc.	746	1.8
		97.1%*

* 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	$860,967	3.0%
Tencent Holdings Limited	587,418	1.4
Alibaba Group Holding Limited	314,077	1.5
Novo Nordisk A/S	310,050	0.8
LVMH Moet Hennessy Louis Vuitton SE	309,177	0.5
Nestle S.A.	264,577	1.0
Samsung Electronics Co., Ltd.	234,776	0.4
AstraZeneca PLC	227,939	1.9
Linde plc	219,680	3.3
Reliance Industries Limited	201,885	1.1
Mitsubishi UFJ Financial Group, Inc.	164,483	1.3
BYD Company Limited	155,532	1.0
Industria de Diseno Textil, S.A.	154,516	1.4
Contemporary Amperex Technology Co., Limited	153,591	0.8
TotalEnergies SE	146,442	1.0
Airbus SE	139,453	0.8
Meituan	122,327	0.8
Bharti Airtel Limited	121,579	1.4
Prosus N.V.	109,577	0.7
Compagnie Financiere Richemont SA	102,233	0.5
Sumitomo Mitsui Financial Group, Inc.	98,568	1.9
SK hynix Inc.	95,122	0.4
Keyence Corporation	94,484	1.3
BNP Paribas S.A.	94,041	2.6
Recruit Holdings Co., Ltd.	81,120	1.0
Constellation Software Inc.	67,112	2.9
Tokyo Electron Limited	64,567	0.8
BAE Systems plc	60,705	1.1
Agnico Eagle Mines Limited	54,495	1.4
Universal Music Group N.V.	50,318	1.7
Deutsche Bank AG	46,427	1.5
Experian plc	42,317	2.1
Coupang, Inc.	39,594	0.7
EQT AB	37,587	0.3
Arch Capital Group Ltd.	36,136	2.6
argenx SE	35,962	3.1
Sberbank of Russia PJSC	33,737†	0.0**
Agilent Technologies, Inc.	33,351	1.6
Li Auto Inc.	26,975	0.3
DSM-Firmenich AG	26,246	1.8
Pernod Ricard SA	24,894	0.7
Tencent Music Entertainment Group	24,729	0.6
LY Corporation	24,714	0.9
Epiroc AB	23,309	1.7
InterGlobe Aviation Limited	23,127	0.9
Trent Limited	22,148	0.7
Techtronic Industries Co. Ltd.	21,949	0.5
Ajinomoto Co., Inc.	19,963	1.8

Company	Equity Market Cap (in millions)	% of Net Assets
HD Hyundai Heavy Industries Co., Ltd.	$17,242	1.1%
WiseTech Global Limited	16,979	0.7
Jio Financial Services Limited	16,911	0.4
CyberArk Software Ltd.	16,717	1.6
Credicorp Ltd.	14,807	1.1
Symrise AG	14,512	1.8
On Holding AG	14,223	0.8
Godrej Consumer Products Limited	13,875	0.6
Full Truck Alliance Co. Ltd.	13,354	1.8
Max Healthcare Institute Limited	12,476	0.7
Bank of Ireland Group plc	11,642	1.7
Dino Polska S.A.	11,427	0.9
Japan Exchange Group, Inc.	10,823	0.5
Indus Towers Limited	10,318	0.4
Eurofins Scientific SE	10,271	1.1
HD Korea Shipbuilding & Offshore Engineering Co., Ltd.	9,733	1.7
China Mengniu Dairy Co. Ltd.	9,663	0.7
Wix.com Ltd.	9,095	1.5
BE Semiconductor Industries N.V.	8,420	0.2
Godrej Properties Limited	7,504	0.4
InPost S.A.	7,299	1.9
Lundin Mining Corporation	7,016	0.9
Piraeus Financial Holdings S.A.	6,825	0.5
Localiza Rent a Car S.A.	6,436	0.4
Kingdee International Software Group Company Limited	6,000	0.7
Stevanato Group S.p.A.	5,573	0.8
eMemory Technology Inc.	5,116	0.4
Nippon Life India Asset Management Limited	4,296	0.5
Zhejiang Shuanghuan Driveline Co., Ltd.	4,143	0.5
Lynas Rare Earths Limited	4,118	1.0
Zai Lab Limited	3,962	1.1
Kaynes Technology India Limited	3,555	0.7
B&M European Value Retail S.A.	3,377	0.2
Japan Airport Terminal Co., Ltd.	2,558	0.4
ODDITY Tech Ltd.	2,415	1.8
Afya Limited	1,716	0.6
JM Financial Limited	1,075	0.4
eDreams ODIGEO SA	994	2.5
Park Systems Corporation	973	0.7
ISC Co., Ltd.	746	0.3
SMS Co., Ltd.	663	0.5
AMG Critical Materials N.V.	502	0.5
Waga Energy SA	273	1.0
		99.2%*

* Individual weights may not sum to displayed total due to rounding.
** Rounds to less than 0.1%.
† 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 35%.

Company	Equity Market Cap (in millions)	% of Net Assets
Blackstone Inc.	$171,587	2.6%
Lowe's Companies, Inc.	130,540	2.0
Prologis, Inc.	106,147	3.0
American Tower Corporation	101,719	5.7
Welltower Inc.	98,255	6.3
Brookfield Corporation	86,181	3.9
Equinix, Inc.	79,360	2.7
Brookfield Asset Management Ltd.	79,257	2.5
CRH public limited company	59,626	2.4
Hilton Worldwide Holdings Inc.	54,524	2.8
Digital Realty Trust, Inc.	49,182	1.0
D.R. Horton, Inc.	40,062	1.2
CBRE Group, Inc.	39,239	4.9
CoStar Group, Inc.	33,416	3.2
Extra Space Storage Inc.	31,480	1.2
Vulcan Materials Company	30,819	2.5
AvalonBay Communities, Inc.	30,531	1.3
Lennar Corporation	30,161	1.0
Las Vegas Sands Corporation	27,657	1.3
Equity Residential	27,179	2.6
Expedia Group, Inc.	21,661	0.9
American Homes 4 Rent	13,996	2.4
Hyatt Hotels Corporation	$11,779	2.5%
Jones Lang LaSalle Incorporated	11,749	5.6
Toll Brothers, Inc.	10,500	2.6
Wynn Resorts, Limited	8,865	2.7
Advanced Drainage Systems, Inc.	8,429	1.6
Churchill Downs Incorporated	8,162	1.1
Vornado Realty Trust	7,059	2.3
Louisiana-Pacific Corporation	6,406	2.4
Trex Company, Inc.	6,230	1.5
Taylor Morrison Home Corporation	6,108	2.3
SiteOne Landscape Supply, Inc.	5,461	2.5
GDS Holdings Limited	4,924	1.8
Independence Realty Trust, Inc.	4,907	1.3
Installed Building Products, Inc.	4,760	0.6
Red Rock Resorts, Inc.	4,599	1.0
Millrose Properties, Inc.	4,401	0.2
The Macerich Company	4,335	1.3
Kilroy Realty Corporation	3,870	0.9
		91.5%*

* 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 Net Assets
Taiwan Semiconductor Manufacturing Company Limited	$860,967	8.3%
Tencent Holdings Limited	587,418	5.1
Alibaba Group Holding Limited	314,077	4.2
Samsung Electronics Co., Ltd.	234,776	1.7
Reliance Industries Limited	201,885	1.4
HDFC Bank Limited	163,670	0.7
BYD Company Limited	155,532	2.5
Contemporary Amperex Technology Co., Limited	153,591	2.0
Meituan	122,327	1.9
Bharti Airtel Limited	121,579	2.6
MercadoLibre, Inc.	98,904	0.8
SK hynix Inc.	95,122	0.5
Midea Group Co., Ltd	82,358	0.8
JD.com, Inc.	66,622	0.8
Bajaj Finance Limited	64,877	2.5
Samsung Biologics Co., Ltd.	50,752	0.6
Kotak Mahindra Bank Limited	50,506	0.6
Nu Holdings Ltd.	49,343	0.2
Naspers Limited	40,755	0.6
Coupang, Inc.	39,594	1.5
Grupo Mexico, S.A.B. de C.V.	38,924	1.0
Mahindra & Mahindra Limited	38,784	0.6
PT Bank Rakyat Indonesia (Persero) Tbk	37,066	0.7
Sberbank of Russia PJSC	33,737†	0.0**
WEG S.A.	33,305	0.2
Titan Company Limited	31,818	0.3
Power Grid Corporation of India Limited	31,594	1.1
S.F. Holding Co., Ltd.	30,467	1.0
Delta Electronics, Inc.	28,164	1.3
Li Auto Inc.	26,975	0.5
Banco BTG Pactual S.A.	26,302	0.5
Tencent Music Entertainment Group	24,729	0.9
KE Holdings Inc.	24,263	0.7
NARI Technology Co. Ltd.	24,257	0.9
InterGlobe Aviation Limited	23,127	1.5
Trent Limited	22,148	1.0
Techtronic Industries Co. Ltd.	21,949	0.5
Fuyao Glass Industry Group Co., Ltd.	20,509	0.5
Gold Fields Limited	19,771	1.1
XPeng Inc.	19,714	0.7
SBI Life Insurance Company Limited	18,148	1.1
HD Hyundai Heavy Industries Co., Ltd.	17,242	1.4
Jio Financial Services Limited	16,911	0.6
Cholamandalam Investment and Finance Company Limited	14,954	0.7
Credicorp Ltd.	14,807	1.5
Jiangsu Hengli Hydraulic Co., Ltd.	14,707	1.0
WuXi Biologics (Cayman) Inc.	14,277	0.8
BDO Unibank, Inc.	14,125	1.2
Godrej Consumer Products Limited	$13,875	1.0%
Full Truck Alliance Co. Ltd.	13,354	2.4
Max Healthcare Institute Limited	12,476	1.0
Suzano S.A.	11,728	1.0
Tata Consumer Products Limited	11,599	0.5
Dino Polska S.A.	11,427	0.9
Shenzhou International Group Holdings Ltd.	11,282	0.8
Indus Towers Limited	10,318	1.3
SRF Limited	10,193	0.5
Cummins India Limited	9,898	0.7
HD Korea Shipbuilding & Offshore Engineering Co., Ltd.	9,733	2.4
China Mengniu Dairy Co. Ltd.	9,663	1.5
E Ink Holdings Inc.	9,146	0.8
Talabat Holding plc	9,003	0.7
Swiggy Limited	8,818	1.7
Godrej Properties Limited	7,504	0.6
XP Inc.	7,427	0.5
InPost S.A.	7,299	1.7
Piraeus Financial Holdings S.A.	6,825	0.5
Localiza Rent a Car S.A.	6,436	0.9
Kingdee International Software Group Company Limited	6,000	1.7
HYUNDAI Glovis Co., Ltd.	5,878	0.6
Tata Communications Limited	5,262	0.7
Korea Aerospace Industries, Ltd.	5,183	1.0
eMemory Technology Inc.	5,116	0.5
Hanwha Systems Co., Ltd.	4,330	0.6
Nippon Life India Asset Management Limited	4,296	0.9
Zhejiang Shuanghuan Driveline Co., Ltd.	4,143	1.0
Zai Lab Limited	3,962	1.3
Chroma ATE Inc.	3,651	0.3
Kaynes Technology India Limited	3,555	1.0
ASPEED Technology Inc.	3,406	0.4
Pine Labs Pte. Ltd.	3,320^	1.1
Nuvama Wealth Management Limited	2,557	0.6
Inter & Co, Inc.	2,401	0.2
Afya Limited	1,716	0.6
HPSP Co., Ltd.	1,463	0.3
Sigma Lithium Corporation	1,157	0.3
JM Financial Limited	1,075	0.9
Park Systems Corporation	973	0.5
ISC Co., Ltd.	746	0.5
Codere Online Luxembourg, S.A.	328	0.4
DCW Limited	269	0.2
Think & Learn Private Limited	23^	0.0**
		99.5%*

* Individual weights may not sum to displayed total due to rounding.
^ Estimates based upon available information.
** Rounds to less than 0.1%.
† 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	$2,644,472	7.7%
Taiwan Semiconductor Manufacturing Company Limited	860,967	1.5
Tesla, Inc.	833,593	1.3
Space Exploration Technologies Corp.	349,102^	11.9
ASML Holding N.V.	258,065	2.9
PDD Holdings Inc.	164,361	1.0
Shopify Inc.	123,621	8.9
MercadoLibre, Inc.	98,904	8.9
CrowdStrike Holdings, Inc.	87,395	1.2
Bajaj Finance Limited	64,877	4.2
Snowflake Inc.	48,832	3.4
Adyen N.V.	48,078	2.7
Coupang, Inc.	39,594	5.0
Cloudflare, Inc.	38,887	6.2
argenx SE	35,962	4.4
Datadog, Inc.	34,006	3.0
Block, Inc.	33,656	2.0
Zscaler, Inc.	30,701	2.5
Zomato Limited	22,773	3.0
Illumina, Inc.	12,568	0.8
SailPoint, Inc.	10,436	0.3
Wix.com Ltd.	$9,095	2.2%
ServiceTitan, Inc.	8,554	0.5
InPost S.A.	7,299	2.1
Globant S.A.	5,185	1.4
GDS Holdings Limited	4,924	1.9
BILL Holdings, Inc.	4,678	1.3
Viking Therapeutics, Inc.	2,711	0.4
Afya Limited	1,716	1.5
Endava plc	1,152	1.9
Taboola.com Ltd.	1,000	0.0
Grail, Inc.	866	0.0
Fiverr International Ltd.	850	1.5
Farmers Business Network, Inc.	500^	0.1
indie Semiconductor, Inc.	424	0.6
Codere Online Luxembourg, S.A.	328	1.8
Think & Learn Private Limited	23^	0.0**
GM Cruise Holdings LLC	—“	0.1
		99.6%*

* Individual weights may not sum to displayed total due to rounding.
^ Estimate based upon available information.
“ Market information not available.
** Rounds to less than 0.1%.

Baron Discovery Fund

Baron Discovery Fund is a diversified fund that 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
Liberty Media Corporation-Liberty Formula One	$22,139	1.0%
CyberArk Software Ltd.	16,717	2.9
DraftKings Inc.	16,272	2.7
Guidewire Software, Inc.	15,716	2.9
On Holding AG	14,223	1.0
Dynatrace, Inc.	14,114	1.3
Kinsale Capital Group, Inc.	11,344	2.4
Texas Roadhouse, Inc.	11,073	2.2
RBC Bearings Incorporated	10,118	1.2
Procore Technologies, Inc.	9,898	1.6
Dayforce, Inc.	9,231	1.9
Masimo Corporation	9,002	2.6
Floor & Decor Holdings, Inc.	8,659	1.6
ServiceTitan, Inc.	8,554	2.1
Tempus AI, Inc.	8,347	1.0
Exact Sciences Corporation	8,041	3.3
Brunello Cucinelli S.p.A.	7,793	1.0
GitLab Inc.	7,708	2.2
Repligen Corporation	7,144	1.3
Clearwater Analytics Holdings, Inc.	6,730	2.7
Loar Holdings Inc.	6,610	1.2
Chart Industries, Inc.	6,596	1.9
Wingstop Inc.	6,294	1.6
Liberty Media Corporation-Liberty Live	6,262	3.2
Trex Company, Inc.	6,230	0.9
SentinelOne, Inc.	5,993	2.1
Stevanato Group S.p.A.	5,573	1.7
SiteOne Landscape Supply, Inc.	5,461	2.4
Nova Ltd.	$5,397	1.0%
Independence Realty Trust, Inc.	4,907	1.4
Inspire Medical Systems, Inc.	4,740	1.7
Intapp, Inc.	4,635	1.5
Red Rock Resorts, Inc.	4,599	0.9
Novanta Inc.	4,598	0.6
Varonis Systems, Inc.	4,553	1.2
Kratos Defense & Security Solutions, Inc.	4,538	3.8
Karman Holdings Inc.	4,417	2.0
RH	4,361	0.6
The Macerich Company	4,335	1.3
Integer Holdings Corporation	3,967	1.7
Advanced Energy Industries, Inc.	3,611	1.7
SiTime Corporation	3,607	1.0
Arcellx, Inc.	3,604	0.5
Alkami Technology Inc.	2,684	1.1
Mercury Systems, Inc.	2,572	2.6
PAR Technology Corporation	2,467	2.8
Enerpac Tool Group Corp.	2,426	1.1
Veracyte, Inc.	2,311	1.3
TWFG, Inc.	1,733	1.6
Establishment Labs Holdings Inc.	1,177	1.5
CareDx, Inc.	984	2.0
Couchbase, Inc.	836	1.1
Montrose Environmental Group, Inc.	494	2.0
indie Semiconductor, Inc.	424	0.6
		92.9%*

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

Baron Durable Advantage Fund

Baron Durable Advantage Fund is a diversified fund that 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	$2,790,643	6.8%
NVIDIA Corporation	2,644,472	4.8
Amazon.com, Inc.	2,016,324	6.9
Alphabet Inc.	1,894,486	3.8
Meta Platforms, Inc.	1,460,300	7.4
Taiwan Semiconductor Manufacturing Company Limited	860,967	4.2
Broadcom Inc.	787,247	3.9
Visa Inc.	704,353	4.9
Mastercard Incorporated	499,726	2.9
UnitedHealth Group Incorporated	479,081	2.6
Costco Wholesale Corporation	419,627	1.3
Accenture plc	195,393	1.3
Thermo Fisher Scientific Inc.	187,725	2.4
Intuit Inc.	171,648	2.7
Blackstone Inc.	171,587	3.0
Texas Instruments Incorporated	163,512	1.2
S&P Global Inc.	159,462	4.4
Danaher Corporation	$146,667	1.9%
Welltower Inc.	98,255	1.7
CME Group, Inc.	95,606	1.3
Brookfield Corporation	86,181	3.0
Moody's Corporation	83,773	3.3
Apollo Global Management, Inc.	78,122	3.4
TransDigm Group Incorporated	77,581	2.4
MSCI Inc.	43,884	2.1
Arch Capital Group Ltd.	36,136	1.9
CoStar Group, Inc.	33,416	2.2
HEICO Corporation	32,407	3.0
Monolithic Power Systems, Inc.	27,761	3.1
Mettler-Toledo International Inc.	24,611	1.2
LPL Financial Holdings Inc.	24,399	3.3
Texas Roadhouse, Inc.	11,073	1.4
		99.9%*

* 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.	$171,587	1.1%
Prologis, Inc.	106,147	8.1
American Tower Corporation	101,719	10.1
Welltower Inc.	98,255	10.2
Brookfield Corporation	86,181	2.3
Equinix, Inc.	79,360	2.9
Brookfield Asset Management Ltd.	79,257	1.4
Hilton Worldwide Holdings Inc.	54,524	1.0
Simon Property Group, Inc.	54,184	3.0
Digital Realty Trust, Inc.	49,182	1.2
Crown Castle Inc.	45,385	2.5
Extra Space Storage Inc.	31,480	1.5
AvalonBay Communities, Inc.	30,531	2.6
Ventas, Inc.	30,091	4.8
Equity Residential	27,179	4.1
SBA Communications Corp.	23,676	2.0
Invitation Homes Inc.	21,352	1.9
Weyerhaeuser Company	$21,253	3.0%
Healthpeak Properties, Inc.	14,126	1.5
American Homes 4 Rent	13,996	3.7
EastGroup Properties, Inc.	9,164	4.4
Wynn Resorts, Limited	8,865	2.0
Agree Realty Corporation	8,287	2.5
First Industrial Realty Trust, Inc.	7,144	1.9
Vornado Realty Trust	7,059	2.5
GDS Holdings Limited	4,924	1.3
Independence Realty Trust, Inc.	4,907	4.8
American Healthcare REIT, Inc.	4,844	1.9
The Macerich Company	4,335	1.5
Kilroy Realty Corporation	3,870	1.0
Blackstone Mortgage Trust, Inc.	3,432	0.6
		93.5%*

* 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	$782,954	10.1%
UnitedHealth Group Incorporated	479,081	10.8
AstraZeneca PLC	227,939	1.5
Thermo Fisher Scientific Inc.	187,725	4.7
Intuitive Surgical, Inc.	177,443	6.4
Boston Scientific Corporation	149,209	8.6
Danaher Corporation	146,667	3.6
Stryker Corporation	142,084	4.8
Gilead Sciences, Inc.	139,521	0.5
Vertex Pharmaceuticals Incorporated	124,497	3.4
HCA Healthcare, Inc.	85,076	0.5
McKesson Corporation	84,343	1.8
Zoetis Inc.	73,729	1.2
argenx SE	35,962	8.2
IDEXX Laboratories, Inc.	34,032	2.0
Agilent Technologies, Inc.	33,351	0.4
DexCom, Inc.	26,777	0.3
Mettler-Toledo International Inc.	24,611	1.8
Waters Corporation	21,897	2.6
BioNTech SE	$21,647	0.2%
Natera, Inc.	19,117	0.6
The Cooper Companies, Inc.	16,868	2.7
West Pharmaceutical Services, Inc.	16,185	0.5
Insmed Incorporated	13,808	2.7
Tenet Healthcare Corporation	12,794	1.0
Penumbra, Inc.	10,300	1.6
Bio-Techne Corporation	9,269	0.3
Masimo Corporation	9,002	1.1
HealthEquity, Inc.	7,644	1.8
Glaukos Corporation	5,567	1.2
Inspire Medical Systems, Inc.	4,740	1.4
RadNet, Inc.	3,681	1.8
Arcellx, Inc.	3,604	3.6
Xenon Pharmaceuticals Inc.	2,568	2.0
Biohaven Ltd.	2,454	0.1
		96.0%*

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

Baron FinTech Fund

Baron FinTech Fund is a 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.	$704,353	4.9%
Mastercard Incorporated	499,726	4.6
Accenture plc	195,393	0.6
Intuit Inc.	171,648	3.6
The Progressive Corporation	165,911	4.2
S&P Global Inc.	159,462	4.6
BlackRock Inc.	146,944	1.5
The Charles Schwab Corporation	145,950	1.3
Fiserv, Inc.	123,949	4.2
Shopify Inc.	123,621	1.7
KKR & Co. Inc.	102,691	3.1
MercadoLibre, Inc.	98,904	3.8
CME Group, Inc.	95,606	2.0
Moody's Corporation	83,773	2.7
Apollo Global Management, Inc.	78,122	3.4
Interactive Brokers Group, Inc.	70,474	2.7
Nu Holdings Ltd.	49,343	1.9
Fair Isaac Corporation	45,031	3.6
MSCI Inc.	43,884	2.6
Verisk Analytics, Inc.	41,749	2.7
Robinhood Markets, Inc.	36,853	1.2
Arch Capital Group Ltd.	36,136	2.6
Block, Inc.	33,656	1.0
CoStar Group, Inc.	33,416	1.1

Company	Equity Market Cap (in millions)	% of Net Assets
Tradeweb Markets Inc.	$32,429	4.2%
Equifax Inc.	30,396	1.1
LPL Financial Holdings Inc.	24,399	4.1
FactSet Research Systems Inc.	17,290	2.0
TransUnion	16,195	1.2
Guidewire Software, Inc.	15,716	3.7
Jack Henry & Associates, Inc.	13,311	1.6
Morningstar, Inc.	12,844	2.3
Wise Plc	12,512	2.2
Kinsale Capital Group, Inc.	11,344	1.1
Houlihan Lokey, Inc.	11,328	2.4
Primerica, Inc.	9,461	1.1
ServiceTitan, Inc.	8,554	1.1
Clearwater Analytics Holdings, Inc.	6,730	0.8
The Baldwin Insurance Group, Inc.	5,255	0.7
Globant S.A.	5,185	0.4
BILL Holdings, Inc.	4,678	0.2
Intapp, Inc.	4,635	1.3
Alkami Technology Inc.	2,684	0.5
TWFG, Inc.	1,733	0.7
CI&T, Inc.	804	0.2
		98.7%*

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

Baron India Fund

Baron India Fund is a diversified fund that, under normal circumstances, invests at least 80% of its net assets in equity securities of companies located in India.

Company	Equity Market Cap (in millions)	% of Net Assets
Reliance Industries Limited	$201,885	4.3%
HDFC Bank Limited	163,670	4.8
Tata Consultancy Services Limited	152,650	4.0
Bharti Airtel Limited	121,579	9.7
ICICI Bank Limited	111,467	6.6
Bajaj Finance Limited	64,877	6.4
Kotak Mahindra Bank Limited	50,506	4.1
Mahindra & Mahindra Limited	38,784	2.3
Bajaj Finserv Limited	37,498	2.5
Titan Company Limited	31,818	0.8
Power Grid Corporation of India Limited	31,594	2.7
Bharat Electronics Limited	25,770	1.2
InterGlobe Aviation Limited	23,127	4.8
Zomato Limited	22,773	2.2
Trent Limited	22,148	2.1
Siemens Limited	21,980	0.7
SBI Life Insurance Company Limited	18,148	2.5
Jio Financial Services Limited	16,911	0.4
Cholamandalam Investment and Finance Company Limited	14,954	3.9
Godrej Consumer Products Limited	13,875	1.7
REC Limited	13,223	0.6
Max Healthcare Institute Limited	12,476	4.7
Tata Consumer Products Limited	$11,599	1.8%
Indus Towers Limited	10,318	2.1
SRF Limited	10,193	0.5
Cummins India Limited	9,898	1.0
Dixon Technologies (India) Limited	9,264	0.6
Godrej Properties Limited	7,504	0.9
Coforge Limited	6,345	1.0
Tata Communications Limited	5,262	1.3
Thermax Limited	5,094	0.3
360 ONE WAM Limited	4,335	0.6
Kaynes Technology India Limited	3,555	1.1
Aster DM Healthcare Limited	2,826	2.6
Nuvama Wealth Management Limited	2,557	0.6
Kirloskar Oil Engines Limited	1,222	0.4
Shaily Engineering Plastics Limited	982	1.1
GMR Power and Urban Infra Limited	956	0.4
Tips Music Limited	946	0.5
HealthCare Global Enterprises Limited	884	0.8
Precision Wires India Limited	276	0.8
DCW Limited	269	0.4
		91.8%*

* 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 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.	$3,336,853	5.0%
Microsoft Corporation	2,790,643	5.0
NVIDIA Corporation	2,644,472	10.3
Amazon.com, Inc.	2,016,324	9.3
Taiwan Semiconductor Manufacturing Company Limited	860,967	4.3
Tesla, Inc.	833,593	2.8
Broadcom Inc.	787,247	6.7
Intuit Inc.	171,648	1.4
ServiceNow, Inc.	164,960	1.3
Shopify Inc.	123,621	1.9
Spotify Technology S.A.	112,121	7.5
Arista Networks, Inc.	97,712	2.1
Lam Research Corporation	93,322	1.3
Atlassian Corporation Plc	55,599	2.0
Snowflake Inc.	48,832	0.5
Axon Enterprise, Inc.	40,300	1.4
Cloudflare, Inc.	38,887	1.8
Quanta Services, Inc.	37,669	0.9
Datadog, Inc.	34,006	1.4
CoStar Group, Inc.	33,416	2.0
Gartner, Inc.	32,244	1.3
Zscaler, Inc.	30,701	1.8
Monolithic Power Systems, Inc.	$27,761	1.1%
Vertiv Holdings Co	27,492	0.9
The Trade Desk	27,146	1.7
LPL Financial Holdings Inc.	24,399	1.4
Zomato Limited	22,773	0.9
Samsara Inc.	21,822	1.0
Reddit, Inc.	18,977	1.7
CyberArk Software Ltd.	16,717	2.3
Guidewire Software, Inc.	15,716	1.0
Duolingo, Inc.	14,050	2.8
ServiceTitan, Inc.	8,554	0.4
GitLab Inc.	7,708	1.1
Nova Ltd.	5,397	1.3
eMemory Technology Inc.	5,116	0.6
GDS Holdings Limited	4,924	1.4
PAR Technology Corporation	2,467	2.6
ODDITY Tech Ltd.	2,415	1.0
HPSP Co., Ltd.	1,463	0.8
eDreams ODIGEO SA	994	1.0
Park Systems Corporation	973	1.1
indie Semiconductor, Inc.	424	1.3
		99.5%*

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

Baron Asset Fund — PORTFOLIO OF INVESTMENTS

March 31, 2025

Shares		Cost	Value
Common Stocks (90.26%)			
Communication Services (2.09%)			
	Advertising (0.69%)		
500,000	The Trade Desk, Inc., Cl A[1]	$ 11,173,716	$ 27,360,000
	Movies & Entertainment (1.40%)		
100,000	Spotify Technology SA[1,2]	24,563,323	55,003,000
Total Communication Services		35,737,039	82,363,000
Consumer Discretionary (7.73%)			
	Casinos & Gaming (0.23%)		
275,000	DraftKings, Inc., Cl A[1]	10,636,789	9,132,750
	Education Services (0.18%)		
23,000	Duolingo, Inc.[1]	6,012,308	7,142,420
	Footwear (1.57%)		
351,069	Birkenstock Holding PLC[1,2]	16,149,174	16,096,514
1,037,000	On Holding AG, Cl A[1,2]	30,424,600	45,545,040
		46,573,774	61,641,554
	Home Improvement Retail (0.43%)		
211,000	Floor & Decor Holdings, Inc., Cl A[1]	18,452,772	16,979,170
	Hotels, Resorts & Cruise Lines (3.44%)		
503,442	Choice Hotels International, Inc.	2,156,126	66,847,029
31,000	Hilton Worldwide Holdings, Inc.	6,489,341	7,054,050
500,233	Hyatt Hotels Corp., Cl A	13,700,166	61,278,542
		22,345,633	135,179,621
	Leisure Facilities (1.88%)		
462,538	Vail Resorts, Inc.	8,926,502	74,015,331
Total Consumer Discretionary		112,947,778	304,090,846
Financials (13.85%)			
	Financial Exchanges & Data (5.35%)		
198,305	FactSet Research Systems, Inc.	10,517,013	90,157,385
156,000	Morningstar, Inc.	32,512,227	46,779,720
47,000	MSCI, Inc.	15,780,557	26,578,500
316,189	Tradeweb Markets, Inc., Cl A	12,240,921	46,941,419
		71,050,718	210,457,024
	Insurance Brokers (0.73%)		
84,421	Willis Towers Watson PLC[2]	10,305,610	28,530,077
	Investment Banking & Brokerage (2.92%)		
1,468,936	The Charles Schwab Corp.	1,291,880	114,988,310
	Property & Casualty Insurance (4.85%)		
1,986,444	Arch Capital Group Ltd.[1,2]	7,144,208	191,056,184
Total Financials		89,792,416	545,031,595
Health Care (16.17%)			
	Biotechnology (0.20%)		
13,366	argenx SE, ADR[1,2]	4,071,400	7,910,868
	Health Care Equipment (5.53%)		
517,630	IDEXX Laboratories, Inc.[1]	9,143,870	217,378,718
	Health Care Supplies (1.57%)		
733,672	The Cooper Companies, Inc.[1]	27,308,279	61,885,233
	Health Care Technology (1.73%)		
294,386	Veeva Systems, Inc., Cl A[1]	16,281,783	68,188,629

Shares		Cost	Value
Common Stocks (continued)			
Health Care (continued)			
	Life Sciences Tools & Services (7.14%)		
984,944	Bio-Techne Corporation	$ 22,412,328	$ 57,747,267
147,117	Mettler-Toledo International, Inc.[1]	8,529,910	173,731,936
221,404	West Pharmaceutical Services, Inc.	9,462,782	49,567,928
		40,405,020	281,047,131
Total Health Care		97,210,352	636,410,579
Industrials (16.49%)			
	Aerospace & Defense (0.67%)		
50,000	Axon Enterprise, Inc.[1]	9,959,466	26,297,500
	Construction & Engineering (1.84%)		
285,000	Quanta Services, Inc.	47,697,751	72,441,300
	Data Processing & Outsourced Services (0.86%)		
403,076	SS&C Technologies Holdings, Inc.	10,805,709	33,668,938
	Electrical Components & Equipment (0.46%)		
250,000	Vertiv Holdings Co., Cl A	21,823,532	18,050,000
	Environmental & Facilities Services (1.76%)		
1,285,418	Rollins, Inc.	16,405,079	69,451,134
	Human Resource & Employment Services (2.15%)		
1,453,093	Dayforce, Inc.[1]	54,306,588	84,758,915
	Industrial Machinery & Supplies & Components (0.89%)		
192,760	IDEX Corp.	13,585,250	34,883,777
	Research & Consulting Services (7.86%)		
200,000	Booz Allen Hamilton Holding Corp.	22,670,901	20,916,000
775,500	TransUnion	32,394,913	64,358,745
753,206	Verisk Analytics, Inc.	18,078,528	224,169,170
		73,144,342	309,443,915
Total Industrials		247,727,717	648,995,479
Information Technology (26.29%)			
	Application Software (13.74%)		
74,000	Fair Isaac Corp.[1]	28,045,728	136,467,840
1,151,809	Guidewire Software, Inc.[1]	54,808,312	215,802,934
450,000	Procore Technologies, Inc.[1]	32,904,730	29,709,000
228,192	Roper Technologies, Inc.	18,952,931	134,537,440
256,493	ServiceTitan, Inc., Cl A[1]	20,395,336	24,395,049
		155,107,037	540,912,263
	Electronic Components (2.76%)		
1,658,000	Amphenol Corp., Cl A	39,080,301	108,748,220
	Internet Services & Infrastructure (0.45%)		
69,173	Verisign, Inc.[1]	3,076,958	17,560,950
	IT Consulting & Other Services (8.16%)		
765,323	Gartner, Inc.[1]	15,352,366	321,236,676
	Systems Software (0.26%)		
536,717	SailPoint, Inc.[1,4]	12,344,491	10,063,444
	Technology Distributors (0.92%)		
226,363	CDW Corp.	13,601,532	36,276,934
Total Information Technology		238,562,685	1,034,798,487

Baron Asset Fund — PORTFOLIO OF INVESTMENTS (Continued)

March 31, 2025

Shares		Cost	Value
Common Stocks (continued)			
Real Estate (7.64%)			
	Data Center REITs (1.00%)		
48,416	Equinix, Inc.	$ 3,085,999	$ 39,475,985
	Health Care REITs (0.58%)		
150,000	Welltower, Inc.	19,268,419	22,981,500
	Real Estate Services (6.06%)		
516,323	CBRE Group, Inc., Cl A[1]	5,774,214	67,524,722
2,156,930	CoStar Group, Inc.[1]	42,271,714	170,893,564
		48,045,928	238,418,286
Total Real Estate		70,400,346	300,875,771
TOTAL COMMON STOCKS		**892,378,333**	**3,552,565,757**
Private Common Stocks (2.12%)			
Communication Services (1.36%)			
	Movies & Entertainment (1.36%)		
197,613	StubHub Holdings, Inc., Cl A[1,3,4]	50,000,041	53,513,600
Industrials (0.76%)			
	Aerospace & Defense (0.76%)		
92,406	Space Exploration Technologies Corp., Cl A[1,3,4]	7,115,262	17,095,110
69,932	Space Exploration Technologies Corp., Cl C[1,3,4]	5,384,764	12,937,420
Total Industrials		12,500,026	30,032,530
TOTAL PRIVATE COMMON STOCKS		**62,500,067**	**83,546,130**

Shares		Cost	Value
Private Preferred Stocks (7.63%)			
Communication Services (3.10%)			
	Interactive Media & Services (3.10%)		
3,341,687	X.AI Holdings Corp., Cl B (formerly, X.AI Corp., Series B)[1,3,4]	$ 39,999,994	$ 122,172,077
Industrials (4.53%)			
	Aerospace & Defense (4.53%)		
96,298	Space Exploration Technologies Corp., Series N[1,3,4]	26,000,460	178,151,300
TOTAL PRIVATE PREFERRED STOCKS		**66,000,454**	**300,323,377**
TOTAL INVESTMENTS (100.01%)		**$1,020,878,854**	**3,936,435,264**
LIABILITIES LESS CASH AND OTHER ASSETS (-0.01%)			**(348,105)**
NET ASSETS			**$3,936,087,159**

% Represents percentage of net assets.
1 Non-income producing securities.
2 Foreign corporation.
3 At March 31, 2025, the market value of restricted securities amounted to $383,869,507 or 9.75% 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

March 31, 2025

Shares		Cost	Value
Common Stocks (100.74%)			
Communication Services (2.65%)			
	Alternative Carriers (2.65%)		
6,000,000	Iridium Communications, Inc.[4]	$ 33,467,578	$ 163,920,000
Consumer Discretionary (14.97%)			
	Apparel, Accessories & Luxury Goods (0.92%)		
12,368,569	Figs, Inc., Cl A[1]	87,745,510	56,771,732
	Casinos & Gaming (1.64%)		
2,346,275	Red Rock Resorts, Inc., Cl A	61,783,835	101,757,947
	Education Services (0.62%)		
300,000	Bright Horizons Family Solutions, Inc.[1]	8,896,554	38,112,000
	Hotels, Resorts & Cruise Lines (6.44%)		
3,000,000	Choice Hotels International, Inc.[4]	75,582,685	398,340,000
	Leisure Facilities (5.17%)		
2,000,000	Vail Resorts, Inc.[4]	56,102,209	320,040,000
	Restaurants (0.18%)		
2,282,206	Krispy Kreme, Inc.	29,800,070	11,228,453
Total Consumer Discretionary		319,910,863	926,250,132
Financials (53.71%)			
	Asset Management & Custody Banks (2.99%)		
1,300,000	The Carlyle Group, Inc.	26,432,986	56,667,000
1,600,000	Cohen & Steers, Inc.	32,448,956	128,400,000
		58,881,942	185,067,000
	Financial Exchanges & Data (23.04%)		
975,000	FactSet Research Systems, Inc.	48,355,270	443,274,000
920,000	Morningstar, Inc.	18,727,699	275,880,400
1,250,000	MSCI, Inc.	22,314,264	706,875,000
		89,397,233	1,426,029,400
	Investment Banking & Brokerage (1.50%)		
450,000	Houlihan Lokey, Inc.	19,625,873	72,675,000
350,000	Moelis & Co., Cl A	3,842,331	20,426,000
		23,468,204	93,101,000
	Life & Health Insurance (5.70%)		
1,240,000	Primerica, Inc.	25,430,441	352,817,200
	Property & Casualty Insurance (20.48%)		
8,550,000	Arch Capital Group Ltd.[1,2]	26,413,987	822,339,000
915,000	Kinsale Capital Group, Inc.	30,088,919	445,339,650
		56,502,906	1,267,678,650
Total Financials		253,680,726	3,324,693,250

Shares		Cost	Value
Common Stocks (continued)			
Health Care (5.22%)			
	Health Care Equipment (2.37%)		
350,000	IDEXX Laboratories, Inc.[1]	$ 4,836,201	$ 146,982,500
	Health Care Supplies (0.19%)		
1,342,434	Neogen Corp.[1]	17,026,471	11,638,902
	Life Sciences Tools & Services (2.66%)		
1,600,000	Bio-Techne Corporation	20,318,403	93,808,000
60,000	Mettler-Toledo International, Inc.[1]	2,742,936	70,854,600
		23,061,339	164,662,600
Total Health Care		44,924,011	323,284,002
Information Technology (14.09%)			
	Application Software (5.27%)		
505,000	ANSYS, Inc.[1]	11,016,788	159,862,800
305,000	Clearwater Analytics Holdings, Inc., Cl A[1]	4,682,009	8,174,000
845,000	Guidewire Software, Inc.[1]	25,057,001	158,319,200
		40,755,798	326,356,000
	IT Consulting & Other Services (8.82%)		
1,300,000	Gartner, Inc.[1]	17,555,049	545,662,000
Total Information Technology		58,310,847	872,018,000
Real Estate (10.10%)			
	Other Specialized REITs (4.11%)		
5,000,000	Gaming and Leisure Properties, Inc.	99,130,844	254,500,000
	Real Estate Services (5.99%)		
4,675,000	CoStar Group, Inc.[1]	19,458,688	370,400,250
Total Real Estate		118,589,532	624,900,250
TOTAL COMMON STOCKS		**828,883,557**	**6,235,065,634**
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**
Private Convertible Preferred Stocks (0.00%)			
Industrials (0.00%)			
	Electrical Components & Equipment (0.00%)		
59,407,006	Northvolt AB (Sweden)[1,2,3,5]	**9,374,988**	**0**

Baron Growth Fund — PORTFOLIO OF INVESTMENTS (Continued)

March 31, 2025

Principal Amount		Cost	Value
Short-Term Investments (0.20%)			
$12,687,336	Repurchase Agreement with Fixed Income Clearing Corp., dated 3/31/2025, 3.85% due 4/1/2025; Proceeds at maturity $12,688,692; (Fully Collateralized by $12,950,200 U.S. Treasury Note, 3.875% due 3/31/2027 Market value - $12,941,107)	$ 12,687,336	$ 12,687,336
TOTAL INVESTMENTS (100.95%)		$867,245,883	6,248,538,407
LIABILITIES LESS CASH AND OTHER ASSETS (-0.95%)			(58,663,685)
NET ASSETS			$6,189,874,722

% Represents percentage of net assets.
[1] Non-income producing securities.
[2] Foreign corporation.
[3] At March 31, 2025, the market value of restricted securities amounted to $785,437 or 0.01% 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

March 31, 2025

Shares		Cost	Value
Common Stocks (99.38%)			
Communication Services (5.10%)			
	Advertising (0.99%)		
680,000	The Trade Desk, Inc., Cl A[1]	$ 2,414,000	$ 37,209,600
	Movies & Entertainment (4.11%)		
1,000,000	Liberty Media Corp.-Liberty Formula One, Cl C[1]	15,681,001	90,010,000
300,100	Liberty Media Corporation-Liberty Live, Cl C[1]	6,744,649	20,448,814
225,000	Madison Square Garden Sports Corp.[1]	8,416,556	43,812,000
		30,842,206	154,270,814
Total Communication Services		33,256,206	191,480,414
Consumer Discretionary (14.94%)			
	Automotive Parts & Equipment (0.27%)		
4,000,000	Holley, Inc.[1]	23,112,642	10,280,000
	Casinos & Gaming (4.36%)		
875,000	DraftKings, Inc., Cl A[1]	11,187,787	29,058,750
3,100,000	Red Rock Resorts, Inc., Cl A	91,485,805	134,447,000
		102,673,592	163,505,750
	Education Services (2.45%)		
725,000	Bright Horizons Family Solutions, Inc.[1]	31,922,423	92,104,000
	Home Improvement Retail (0.97%)		
450,000	Floor & Decor Holdings, Inc., Cl A[1]	14,749,690	36,211,500
	Homebuilding (1.60%)		
350,000	Installed Building Products, Inc.	13,854,997	60,011,000
	Leisure Facilities (2.96%)		
1,150,000	Planet Fitness, Inc., Cl A[1]	47,029,231	111,101,500
	Restaurants (2.33%)		
1,800,000	The Cheesecake Factory, Inc.	44,585,269	87,588,000
Total Consumer Discretionary		277,927,844	560,801,750
Consumer Staples (2.51%)			
	Packaged Foods & Meats (1.22%)		
3,250,000	UTZ Brands, Inc.	51,037,718	45,760,000
	Personal Care Products (1.29%)		
1,125,000	Oddity Tech Ltd., Cl A[1,2]	41,428,946	48,667,500
Total Consumer Staples		92,466,664	94,427,500
Financials (12.89%)			
	Asset Management & Custody Banks (0.78%)		
2,200,000	GCM Grosvenor, Inc., Cl A	24,429,527	29,106,000
	Insurance Brokers (3.57%)		
3,000,000	Baldwin Insurance Group, Inc. Cl A[1]	46,953,071	134,070,000
	Investment Banking & Brokerage (2.15%)		
500,000	Houlihan Lokey, Inc.	23,001,811	80,750,000
	Property & Casualty Insurance (5.83%)		
450,000	Kinsale Capital Group, Inc.	64,570,201	219,019,500
	Transaction & Payment Processing Services (0.56%)		
3,750,000	Repay Holdings Corporation[1]	32,041,410	20,887,500
Total Financials		190,996,020	483,833,000

Shares		Cost	Value
Common Stocks (continued)			
Health Care (9.45%)			
	Health Care Equipment (1.86%)		
425,000	DexCom, Inc.[1]	$ 1,408,692	$ 29,023,250
25,000	IDEXX Laboratories, Inc.[1]	344,777	10,498,750
190,000	Inspire Medical Systems, Inc.[1]	9,493,280	30,263,200
		11,246,749	69,785,200
	Health Care Services (0.86%)		
650,000	RadNet, Inc.[1]	38,506,407	32,318,000
	Health Care Supplies (1.15%)		
5,000,000	Neogen Corp.[1]	74,817,877	43,350,000
	Life Sciences Tools & Services (3.82%)		
650,000	ICON plc[1,2]	27,743,341	113,743,500
25,000	Mettler-Toledo International, Inc.[1]	1,205,243	29,522,750
		28,948,584	143,266,250
	Managed Health Care (1.76%)		
750,000	HealthEquity, Inc.[1]	12,292,452	66,277,500
Total Health Care		165,812,069	354,996,950
Industrials (30.47%)			
	Aerospace & Defense (6.43%)		
863,517	Karman Holdings, Inc.[1]	22,578,484	28,858,738
2,500,000	Kratos Defense & Security Solutions, Inc.[1]	40,962,927	74,225,000
100,000	TransDigm Group, Inc.[1]	0	138,329,000
		63,541,411	241,412,738
	Building Products (1.74%)		
4,840,000	Janus International Group, Inc.[1]	46,853,585	34,848,000
525,000	Trex Co., Inc.[1]	18,023,818	30,502,500
		64,877,403	65,350,500
	Diversified Support Services (2.28%)		
5,000,000	Driven Brands Holdings, Inc.[1]	90,115,067	85,700,000
	Electrical Components & Equipment (4.81%)		
2,500,000	Vertiv Holdings Co., Cl A	24,614,088	180,500,000
	Environmental & Facilities Services (1.17%)		
225,000	Waste Connections, Inc.[2]	9,825,000	43,917,750
	Human Resource & Employment Services (2.88%)		
950,000	Dayforce, Inc. [1]	29,430,555	55,413,500
3,750,000	First Advantage Corp.[1]	60,629,977	52,837,500
		90,060,532	108,251,000
	Industrial Machinery & Supplies & Components (7.76%)		
700,000	Chart Industries, Inc.[1]	103,706,326	101,052,000
150,000	Enpro, Inc.	27,048,675	24,268,500
700,000	JBT Marel Corp. (formerly John Bean Technologies Corp.)	63,192,030	85,540,000
250,000	RBC Bearings, Inc.[1]	27,992,037	80,442,500
		221,939,068	291,303,000
	Research & Consulting Services (0.57%)		
265,000	Exponent, Inc.	20,189,458	21,480,900
	Trading Companies & Distributors (2.83%)		
875,000	SiteOne Landscape Supply, Inc.[1]	33,566,364	106,260,000
Total Industrials		618,728,391	1,144,175,888

Baron Small Cap Fund — PORTFOLIO OF INVESTMENTS (Continued)

March 31, 2025

Shares		Cost	Value
Common Stocks (continued)			
Information Technology (22.78%)			
	Application Software (10.40%)		
2,500,000	Clearwater Analytics Holdings, Inc., Cl A[1]	$ 44,280,887	$ 67,000,000
1,000,000	Guidewire Software, Inc.[1]	25,243,780	187,360,000
1,700,000	Intapp, Inc.[1]	66,231,698	99,246,000
1,350,000	nCino, Inc.[1]	44,218,492	37,084,500
		179,974,857	390,690,500
	Electronic Equipment & Instruments (2.33%)		
1,900,000	Cognex Corp.	39,755,701	56,677,000
500,000	PAR Technology Corp.[1]	34,706,613	30,670,000
		74,462,314	87,347,000
	IT Consulting & Other Services (8.87%)		
1,375,000	ASGN, Inc.[1]	29,684,666	86,652,500
475,000	Gartner, Inc.[1]	5,955,644	199,376,500
3,000,000	Grid Dynamics Holdings, Inc.[1]	36,322,597	46,950,000
		71,962,907	332,979,000
	Semiconductors (0.33%)		
6,000,000	indie Semiconductor, Inc., Cl A[1]	37,247,069	12,210,000
	Systems Software (0.85%)		
1,000,000	JFrog Ltd.[1,2]	31,388,826	32,000,000
Total Information Technology		395,035,973	855,226,500
Materials (1.24%)			
	Specialty Chemicals (1.24%)		
1,250,000	Avient Corp.	37,773,511	46,450,000
TOTAL COMMON STOCKS		**1,811,996,678**	**3,731,392,002**

Principal Amount		Cost	Value
Short-Term Investments (0.63%)			
$23,652,753	Repurchase Agreement with Fixed Income Clearing Corp., dated 3/31/2025, 3.85% due 4/1/2025; Proceeds at maturity $23,655,282; (Fully Collateralized by $24,142,800 U.S. Treasury Note, 3.875% due 3/31/2027 Market value - $24,125,842)	**$ 23,652,753**	**$ 23,652,753**
TOTAL INVESTMENTS (100.01%)		**$1,835,649,431**	**3,755,044,755**
LIABILITIES LESS CASH AND OTHER ASSETS (-0.01%)			**(217,885)**
NET ASSETS			**$3,754,826,870**

% Represents percentage of net assets.
1 Non-income producing securities.
2 Foreign corporation.

Baron Opportunity Fund — PORTFOLIO OF INVESTMENTS

March 31, 2025

Shares		Cost	Value
Common Stocks (92.65%)			
Communication Services (11.14%)			
	Advertising (1.43%)		
353,610	The Trade Desk, Inc., Cl A[1]	$ 17,142,670	$ 19,349,539
	Interactive Media & Services (5.25%)		
123,000	Meta Platforms, Inc., Cl A	24,382,735	70,892,280
	Movies & Entertainment (4.46%)		
109,400	Spotify Technology SA[1,2]	29,852,535	60,173,282
Total Communication Services		71,377,940	150,415,101
Consumer Discretionary (12.27%)			
	Automobile Manufacturers (4.29%)		
223,200	Tesla, Inc.[1]	11,606,117	57,844,512
	Broadline Retail (6.84%)		
485,500	Amazon.com, Inc.[1]	29,742,116	92,371,230
	Education Services (1.14%)		
49,700	Duolingo, Inc.[1]	9,478,355	15,433,838
Total Consumer Discretionary		50,826,588	165,649,580
Consumer Staples (0.49%)			
	Personal Care Products (0.49%)		
155,000	Oddity Tech Ltd., Cl A[1,2]	7,603,283	6,705,300
Financials (6.32%)			
	Investment Banking & Brokerage (1.74%)		
72,000	LPL Financial Holdings, Inc.	24,044,180	23,554,080
	Transaction & Payment Processing Services (4.58%)		
52,700	Mastercard, Incorporated, Cl A	9,940,228	28,885,924
93,900	Visa, Inc., Cl A	13,273,862	32,908,194
		23,214,090	61,794,118
Total Financials		47,258,270	85,348,198
Health Care (5.85%)			
	Biotechnology (4.34%)		
214,000	Arcellx, Inc.[1]	13,941,627	14,038,400
64,739	argenx SE, ADR[1,2]	9,490,491	38,316,748
258,600	Viking Therapeutics, Inc.[1]	3,555,576	6,245,190
		26,987,694	58,600,338
	Health Care Equipment (1.51%)		
41,105	Intuitive Surgical, Inc.[1]	4,585,816	20,358,073
Total Health Care		31,573,510	78,958,411
Industrials (0.84%)			
	Electrical Components & Equipment (0.84%)		
157,500	Vertiv Holdings Co., Cl A	13,537,179	11,371,500
Information Technology (53.01%)			
	Application Software (8.46%)		
113,400	Atlassian Corp., Cl A[1,2]	20,207,830	24,064,614
267,500	Gitlab, Inc., Cl A[1,4]	11,041,617	12,572,500
115,800	Guidewire Software, Inc.[1]	2,885,188	21,696,288
23,500	HubSpot, Inc.[1]	8,666,153	13,425,315
496,900	Samsara, Inc., Cl A[1]	15,835,121	19,046,177
29,500	ServiceNow, Inc.[1,4]	4,429,916	23,486,130
		63,065,825	114,291,024
	Communications Equipment (0.93%)		
162,800	Arista Networks, Inc.[1]	17,687,557	12,613,744
	Electronic Equipment & Instruments (0.89%)		
196,898	PAR Technology Corp.[1]	10,949,943	12,077,723

Shares		Cost	Value
Common Stocks (continued)			
Information Technology (continued)			
	Internet Services & Infrastructure (3.33%)		
749,000	GDS Holdings Ltd., ADR[1,2]	$ 13,578,233	$ 18,972,170
273,000	Shopify, Inc., Cl A[1,2]	11,478,770	26,040,105
		25,057,003	45,012,275
	IT Consulting & Other Services (2.02%)		
64,887	Gartner, Inc.[1]	805,042	27,235,670
	Semiconductor Materials & Equipment (0.78%)		
57,000	Nova Ltd.[1,2]	11,343,542	10,506,810
	Semiconductors (18.23%)		
365,700	Broadcom, Inc.	51,349,471	61,229,151
5,945,971	indie Semiconductor, Inc., Cl A[1]	33,181,703	12,100,051
24,000	Monolithic Power Systems, Inc.	13,955,429	13,919,520
1,272,100	NVIDIA Corp.	7,530,102	137,870,198
126,700	Taiwan Semiconductor Manufacturing Co., Ltd., ADR[2]	15,332,239	21,032,200
		121,348,944	246,151,120
	Systems Software (13.56%)		
181,300	Cloudflare, Inc., Cl A[1,4]	10,430,734	20,430,697
47,300	CyberArk Software Ltd.[1,2]	15,838,796	15,987,400
179,500	Datadog, Inc., Cl A[1,4]	16,918,736	17,808,195
258,600	Microsoft Corporation	28,270,463	97,075,854
109,900	Snowflake, Inc., Cl A[1,4]	18,506,045	16,062,984
79,000	Zscaler, Inc.[1]	15,016,966	15,675,180
		104,981,740	183,040,310
	Technology Hardware, Storage & Peripherals (4.81%)		
292,400	Apple, Inc.	56,849,165	64,950,812
Total Information Technology		**412,088,762**	**715,879,488**
Real Estate (2.73%)			
	Real Estate Services (2.73%)		
465,130	CoStar Group, Inc.[1]	23,649,851	36,852,250
TOTAL COMMON STOCKS		**657,915,382**	**1,251,179,828**
Private Common Stocks (3.02%)			
Communication Services (0.38%)			
	Interactive Media & Services (0.38%)		
138,800	X.AI Holdings Corp., Cl A(formerly, X Holdings Corp., Cl A)[1,3,4]	5,000,000	5,075,000
Industrials (2.62%)			
	Aerospace & Defense (2.62%)		
107,376	Space Exploration Technologies Corp., Cl A[1,3,4]	5,043,029	19,864,560
83,588	Space Exploration Technologies Corp., Cl C[1,3,4]	10,957,102	15,463,780
		16,000,131	35,328,340
	Passenger Ground Transportation (0.00%)^		
3,571	GM Cruise Holdings LLC, Cl B[1,3,4]	103,563	3,571
Total Industrials		16,103,694	35,331,911
Materials (0.02%)			
	Fertilizers & Agricultural Chemicals (0.02%)		
182,067	Farmers Business Network, Inc.[1,3,4]	2,394,652	338,645
TOTAL PRIVATE COMMON STOCKS		**23,498,346**	**40,745,556**

Baron Opportunity Fund — PORTFOLIO OF INVESTMENTS (Continued)

March 31, 2025

Shares		Cost	Value
Private Convertible Preferred Stocks (0.20%)			
Materials (0.20%)			
	Fertilizers & Agricultural Chemicals (0.20%)		
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 (3.81%)			
Communication Services (1.25%)			
	Interactive Media & Services (1.25%)		
461,893	X.AI Holdings Corp., Cl C (formerly, X.AI Corp., Series C)[1,3,4]	9,999,983	16,886,808
Industrials (2.56%)			
	Aerospace & Defense (2.54%)		
18,519	Space Exploration Technologies Corp., Series N[1,3,4]	5,000,130	34,260,150
	Passenger Ground Transportation (0.02%)		
266,956	GM Cruise Holdings LLC, Cl G[1,3,4]	7,034,291	266,956
Total Industrials		12,034,421	34,527,106
TOTAL PRIVATE PREFERRED STOCKS		**22,034,404**	**51,413,914**
Principal Amount			
Short-Term Investments (0.27%)			
$3,656,634	Repurchase Agreement with Fixed Income Clearing Corp., dated 3/31/2025, 3.85% due 4/1/2025; Proceeds at maturity $3,657,025; (Fully Collateralized by $3,701,300 U.S. Treasury Note, 4.25% due 3/15/2027 Market value - $3,729,887)	**3,656,634**	**3,656,634**
TOTAL INVESTMENTS (99.95%)		**$ 712,575,882**	**1,349,761,933**
CASH AND OTHER ASSETS LESS LIABILITIES (0.05%)			**650,428**
NET ASSETS			**$1,350,412,361**

% Represents percentage of net assets.
1 Non-income producing securities.
2 Foreign corporation.
3 At March 31, 2025, the market value of restricted securities amounted to $94,925,471 or 7.03% 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

March 31, 2025

Shares		Cost	Value
Common Stocks (92.64%)			
Communication Services (2.43%)			
	Alternative Carriers (0.54%)		
1,300,000	Iridium Communications, Inc.[6]	$ 28,694,402	$ 35,516,000
	Movies & Entertainment (1.89%)		
225,000	Spotify Technology SA[1,2,6]	36,152,863	123,756,750
Total Communication Services		64,847,265	159,272,750
Consumer Discretionary (47.44%)			
	Automobile Manufacturers (35.23%)		
8,920,000	Tesla, Inc.[1,5,6]	129,829,329	2,311,707,200
	Casinos & Gaming (1.29%)		
1,954,558	Red Rock Resorts, Inc., Cl A[6]	70,946,879	84,769,180
	Footwear (1.20%)		
1,725,000	Birkenstock Holding PLC[1,2,6]	78,199,680	79,091,250
	Hotels, Resorts & Cruise Lines (6.18%)		
3,310,000	Hyatt Hotels Corp., Cl A[6]	114,517,357	405,475,000
	Leisure Facilities (3.54%)		
1,450,000	Vail Resorts, Inc.[6]	143,600,315	232,029,000
Total Consumer Discretionary		537,093,560	3,113,071,630
Financials (21.12%)			
	Financial Exchanges & Data (6.78%)		
650,000	FactSet Research Systems, Inc.[6]	40,468,849	295,516,000
265,000	MSCI, Inc.[6]	97,432,640	149,857,500
		137,901,489	445,373,500
	Investment Banking & Brokerage (5.25%)		
4,400,000	The Charles Schwab Corp.[6]	113,630,270	344,432,000
	Property & Casualty Insurance (9.09%)		
6,200,000	Arch Capital Group Ltd.[1,2,6]	27,547,816	596,316,000
Total Financials		279,079,575	1,386,121,500
Health Care (4.06%)			
	Health Care Equipment (4.06%)		
635,000	IDEXX Laboratories, Inc.[1,6]	27,736,777	266,668,250
Industrials (0.89%)			
	Aerospace & Defense (0.89%)		
125,625	HEICO Corp.[6]	9,632,520	33,565,744
116,875	HEICO Corp., Cl A[6]	7,586,429	24,657,119
Total Industrials		17,218,949	58,222,863

Shares		Cost	Value
Common Stocks (continued)			
Information Technology (6.83%)			
	Application Software (2.51%)		
880,000	Guidewire Software, Inc.[1,6]	$ 71,023,556	$ 164,876,800
	IT Consulting & Other Services (4.32%)		
675,000	Gartner, Inc.[1,6]	80,865,424	283,324,500
Total Information Technology		151,888,980	448,201,300
Real Estate (9.87%)			
	Other Specialized REITs (1.40%)		
1,800,000	Gaming and Leisure Properties, Inc.[6]	56,364,978	91,620,000
	Real Estate Services (8.47%)		
7,020,000	CoStar Group, Inc.[1,6]	93,593,105	556,194,600
Total Real Estate		149,958,083	647,814,600
TOTAL COMMON STOCKS		**1,227,823,189**	**6,079,372,893**
Private Common Stocks (8.84%)			
Communication Services (1.74%)			
	Interactive Media & Services (0.93%)		
1,665,600	X.AI Holdings Corp., Cl A (formerly, X Holdings Corp., Cl A)[1,3,4]	60,000,000	60,900,000
	Movies & Entertainment (0.81%)		
197,613	StubHub Holdings, Inc., Cl A[1,3,4]	50,000,041	53,513,600
Total Communication Services		110,000,041	114,413,600
Industrials (7.10%)			
	Aerospace & Defense (7.10%)		
2,216,310	Space Exploration Technologies Corp., Cl A[1,3,4]	29,920,185	410,017,350
302,210	Space Exploration Technologies Corp., Cl C[1,3,4]	4,079,835	55,908,850
Total Industrials		34,000,020	465,926,200
TOTAL PRIVATE COMMON STOCKS		**144,000,061**	**580,339,800**
Private Convertible Preferred Stocks (0.00%)			
Industrials (0.00%)			
	Electrical Components & Equipment (0.00%)		
21,213,656	Northvolt AB, Series E2 (Sweden)[1,2,3,4]	**7,843,621**	**0**

Baron Partners Fund — PORTFOLIO OF INVESTMENTS (Continued)

March 31, 2025

Shares		Cost	Value
Private Preferred Stocks (13.73%)			
Industrials (13.73%)			
	Aerospace & Defense (13.73%)		
311,111	Space Exploration Technologies Corp., Cl A[1,3,4]	$ 41,999,985	$ 575,555,350
131,657	Space Exploration Technologies Corp., Cl I[1,3,4]	22,250,032	243,565,450
44,146	Space Exploration Technologies Corp., Series N[1,3,4]	11,919,420	81,670,100
TOTAL PRIVATE PREFERRED STOCKS		**76,169,437**	**900,790,900**

Principal Amount			
Short-Term Investments (0.00%)^			
$232,543	Repurchase Agreement with Fixed Income Clearing Corp., dated 3/31/2025, 3.85% due 4/1/2025; Proceeds at maturity $232,568; (Fully Collateralized by $235,400 U.S. Treasury Note, 4.25% due 3/15/2027 Market value - $237,235)	**232,543**	**232,543**
TOTAL INVESTMENTS (115.21%)		**$1,456,068,851**	**7,560,736,136**
LIABILITIES LESS CASH AND OTHER ASSETS (-15.21%)			**(998,343,550)**
NET ASSETS			**$6,562,392,586**

% Represents percentage of net assets.
1 Non-income producing securities.
2 Foreign corporation.
3 At March 31, 2025, the market value of restricted securities amounted to $1,481,130,700 or 22.57% 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 March 31, 2025, the total market value of pledged securities amounted to $1,990,880,521 or 30.34% of net assets.
^ Rounds to less than 0.01%.

Baron Fifth Avenue Growth Fund — PORTFOLIO OF INVESTMENTS

March 31, 2025

Shares		Cost	Value
	Common Stocks (97.22%)		
	Communication Services (13.82%)		
	Advertising (2.02%)		
224,819	The Trade Desk, Inc., Cl A[1]	$ 12,421,671	$ 12,302,096
	Interactive Media & Services (11.80%)		
126,956	Alphabet, Inc., Cl A	19,706,143	19,632,476
90,909	Meta Platforms Inc., Cl A	6,630,519	52,396,311
		26,336,662	72,028,787
	Total Communication Services	38,758,333	84,330,883
	Consumer Discretionary (20.06%)		
	Automobile Manufacturers (3.21%)		
75,604	Tesla, Inc.[1]	16,366,482	19,593,533
	Automotive Parts & Equipment (0.96%)		
407,843	Mobileye Global, Inc., Cl A[1]	7,634,895	5,870,900
	Broadline Retail (15.89%)		
287,686	Amazon.com, Inc.[1]	2,726,880	54,735,138
680,704	Coupang, Inc.[1]	12,159,012	14,927,839
13,982	MercadoLibre, Inc.[1]	9,633,147	27,277,064
		24,519,039	96,940,041
	Total Consumer Discretionary	48,520,416	122,404,474
	Financials (6.64%)		
	Asset Management & Custody Banks (2.58%)		
136,400	KKR & Co., Inc.	16,789,292	15,769,204
	Transaction & Payment Processing Services (4.06%)		
8,265	Adyen N.V., 144A (Netherlands)[1,2]	7,869,686	12,668,552
222,325	Block, Inc.[1]	13,682,487	12,078,917
		21,552,173	24,747,469
	Total Financials	38,341,465	40,516,673
	Health Care (12.50%)		
	Biotechnology (3.18%)		
32,834	argenx SE, ADR[1,2]	10,908,180	19,433,295
	Health Care Equipment (5.32%)		
65,509	Intuitive Surgical, Inc.[1]	6,990,508	32,444,642
	Health Care Technology (1.53%)		
40,309	Veeva Systems, Inc., Cl A[1]	2,538,180	9,336,774
	Life Sciences Tools & Services (0.89%)		
4,609	GRAIL, Inc. [1,4]	28,246	117,714
66,749	Illumina, Inc.[1]	5,886,000	5,295,866
		5,914,246	5,413,580
	Pharmaceuticals (1.58%)		
11,712	Eli Lilly & Co.	9,859,894	9,673,058
	Total Health Care	36,211,008	76,301,349

Shares		Cost	Value
	Common Stocks (continued)		
	Information Technology (44.20%)		
	Application Software (10.33%)		
64,528	Atlassian Corp., Cl A[1,2]	$ 11,642,822	$ 13,693,487
129,565	Gitlab, Inc., Cl A[1,4]	6,893,161	6,089,555
485,715	Samsara, Inc., Cl A[1]	18,462,976	18,617,456
30,915	ServiceNow, Inc.[1,4]	8,847,643	24,612,668
		45,846,602	63,013,166
	Internet Services & Infrastructure (7.37%)		
471,283	Shopify, Inc., Cl A[1,2]	19,346,878	44,953,329
	Semiconductor Materials & Equipment (2.17%)		
20,016	ASML Holding N.V.[2]	1,527,248	13,263,202
	Semiconductors (12.53%)		
530,733	NVIDIA Corp.	6,935,021	57,520,842
114,255	Taiwan Semiconductor Manufacturing Co., Ltd., ADR[2]	20,178,630	18,966,330
		27,113,651	76,487,172
	Systems Software (11.80%)		
239,835	Cloudflare, Inc., Cl A[1,4]	16,296,429	27,027,006
26,917	Crowdstrike Holdings, Inc., Cl A[1]	1,113,717	9,490,396
162,941	Datadog, Inc., Cl A[1,4]	10,426,258	16,165,377
132,126	Snowflake, Inc., Cl A[1,4]	16,172,889	19,311,536
		44,009,293	71,994,315
	Total Information Technology	137,843,672	269,711,184
	TOTAL COMMON STOCKS	**299,674,894**	**593,264,563**
	Private Common Stocks (1.62%)		
	Industrials (1.62%)		
	Aerospace & Defense (1.62%)		
41,330	Space Exploration Technologies Corp., Cl A[1,3,4]	1,932,253	7,646,050
12,240	Space Exploration Technologies Corp., Cl C[1,3,4]	567,691	2,264,400
	TOTAL PRIVATE COMMON STOCKS	**2,499,944**	**9,910,450**
	Private Preferred Stocks (0.99%)		
	Communication Services (0.97%)		
	Interactive Media & Services (0.97%)		
161,662	X.AI Holdings Corp., Cl C (formerly, X.AI Corp., Series C)[1,3,4]	3,499,982	5,910,363
	Industrials (0.02%)		
	Passenger Ground Transportation (0.02%)		
133,288	GM Cruise Holdings LLC, Cl G[1,3,4]	3,512,139	133,288
	TOTAL PRIVATE PREFERRED STOCKS	**7,012,121**	**6,043,651**

Baron Fifth Avenue Growth Fund — PORTFOLIO OF INVESTMENTS (Continued)

March 31, 2025

Principal Amount		Cost	Value
Short-Term Investments (0.19%)			
$1,128,917	Repurchase Agreement with Fixed Income Clearing Corp., dated 3/31/2025, 3.85% due 4/1/2025; Proceeds at maturity $1,129,037; (Fully Collateralized by $1,142,700 U.S. Treasury Note, 4.25% due 3/15/2027 Market value - $1,151,519)	$ 1,128,917	$ 1,128,917
TOTAL INVESTMENTS (100.02%)		$310,315,876	610,347,581
LIABILITIES LESS CASH AND OTHER ASSETS (-0.02%)			(136,915)
NET ASSETS			$610,210,666

% Represents percentage of net assets.
1 Non-income producing securities.
2 Foreign corporation.
3 At March 31, 2025, the market value of restricted securities, excluding Rule 144A securities as separately described below, amounted to $15,954,101 or 2.61% 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 March 31, 2025, the market value of Rule 144A securities amounted to $12,668,552 or 2.08% of net assets.

Baron Focused Growth Fund — PORTFOLIO OF INVESTMENTS

March 31, 2025

Shares		Cost	Value
Common Stocks (82.86%)			
Communication Services (9.49%)			
	Alternative Carriers (1.06%)		
825,000	Iridium Communications, Inc.	$ 19,319,741	$ 22,539,000
	Movies & Entertainment (8.43%)		
265,000	Live Nation Entertainment, Inc.[1]	35,488,718	34,603,700
262,000	Spotify Technology SA[1,2]	35,016,218	144,107,860
		70,504,936	178,711,560
Total Communication Services		89,824,677	201,250,560
Consumer Discretionary (35.17%)			
	Apparel, Accessories & Luxury Goods (1.84%)		
8,493,569	Figs, Inc., Cl A[1]	65,129,065	38,985,482
	Automobile Manufacturers (7.52%)		
615,000	Tesla, Inc.[1]	8,168,271	159,383,400
	Casinos & Gaming (5.81%)		
1,250,000	Las Vegas Sands Corp.	54,137,160	48,287,500
1,727,500	Red Rock Resorts, Inc., Cl A	71,764,628	74,921,675
		125,901,788	123,209,175
	Footwear (8.24%)		
1,595,000	Birkenstock Holding PLC[1,2]	76,660,577	73,130,750
2,315,000	On Holding AG, Cl A[1,2]	82,050,310	101,674,800
		158,710,887	174,805,550
	Hotels, Resorts & Cruise Lines (7.43%)		
134,000	Airbnb, Inc., Cl A[1]	15,295,942	16,007,640
400,000	Choice Hotels International, Inc.	33,100,257	53,112,000
721,500	Hyatt Hotels Corp., Cl A	57,277,469	88,383,750
		105,673,668	157,503,390
	Leisure Facilities (4.18%)		
553,842	Vail Resorts, Inc.	96,911,921	88,625,797
	Restaurants (0.15%)		
646,892	Krispy Kreme, Inc.	7,842,077	3,182,708
Total Consumer Discretionary		568,337,677	745,695,502
Financials (15.87%)			
	Financial Exchanges & Data (6.68%)		
125,000	FactSet Research Systems, Inc.	25,848,439	56,830,000
150,000	MSCI, Inc.	78,813,551	84,825,000
		104,661,990	141,655,000
	Investment Banking & Brokerage (5.10%)		
540,000	Interactive Brokers Group, Inc., Cl A	47,496,720	89,418,600
350,000	Jefferies Financial Group, Inc.	13,083,298	18,749,500
		60,580,018	108,168,100
	Property & Casualty Insurance (4.09%)		
900,000	Arch Capital Group Ltd.[1,2]	25,104,585	86,562,000
Total Financials		190,346,593	336,385,100

Shares		Cost	Value
Common Stocks (continued)			
Health Care (4.43%)			
	Health Care Equipment (4.43%)		
223,500	IDEXX Laboratories, Inc.[1]	$ 95,762,464	$ 93,858,825
Industrials (2.95%)			
	Research & Consulting Services (2.95%)		
210,000	Verisk Analytics, Inc.	42,832,441	62,500,200
Information Technology (9.44%)			
	Application Software (6.41%)		
100,000	ANSYS, Inc.[1]	25,699,482	31,656,000
556,300	Guidewire Software, Inc.[1]	53,334,636	104,228,368
		79,034,118	135,884,368
	Internet Services & Infrastructure (3.03%)		
675,000	Shopify, Inc., Cl A[1,2]	34,732,650	64,384,875
Total Information Technology		113,766,768	200,269,243
Real Estate (5.51%)			
	Office REITs (1.13%)		
1,500,000	Douglas Emmett, Inc.[5]	21,662,219	24,000,000
	Real Estate Services (4.38%)		
1,171,700	CoStar Group, Inc.[1]	56,604,589	92,833,791
Total Real Estate		78,266,808	116,833,791
TOTAL COMMON STOCKS		**1,179,137,428**	**1,756,793,221**
Private Common Stocks (6.75%)			
Industrials (6.75%)			
	Aerospace & Defense (6.75%)		
629,570	Space Exploration Technologies Corp., Cl A[1,3,4]	26,390,845	116,470,450
143,170	Space Exploration Technologies Corp., Cl C[1,3,4]	6,808,820	26,486,450
TOTAL PRIVATE COMMON STOCKS		**33,199,665**	**142,956,900**
Private Preferred Stocks (7.48%)			
Communication Services (2.88%)			
	Interactive Media & Services (2.88%)		
1,670,843	X.AI Holdings Corp., Cl B (formerly, X.AI Corp., Series B)[1,3,4]	19,999,991	61,086,020
Industrials (4.60%)			
	Aerospace & Defense (4.60%)		
29,630	Space Exploration Technologies Corp., Cl A[1,3,4]	4,000,050	54,815,500
1,479	Space Exploration Technologies Corp., Cl I[1,3,4]	249,951	2,736,150
12,346	Space Exploration Technologies Corp., Series K[1,3,4]	10,000,260	22,840,100
9,259	Space Exploration Technologies Corp., Series N[1,3,4]	2,499,930	17,129,150
Total Industrials		16,750,191	97,520,900
TOTAL PRIVATE PREFERRED STOCKS		**36,750,182**	**158,606,920**

Baron Focused Growth Fund — PORTFOLIO OF INVESTMENTS (Continued)

March 31, 2025

Principal Amount		Cost	Value
Short-Term Investments (2.93%)			
$62,104,517	Repurchase Agreement with Fixed Income Clearing Corp., dated 3/31/2025, 3.85% due 4/1/2025; Proceeds at maturity $62,111,158; (Fully Collateralized by $62,862,200 U.S. Treasury Note, 4.25% due 3/15/2027 Market value - $63,346,778)	$ 62,104,517	$ 62,104,517
TOTAL INVESTMENTS (100.02%)		$1,311,191,792	2,120,461,558
LIABILITIES LESS CASH AND OTHER ASSETS (-0.02%)			(328,180)
NET ASSETS			$2,120,133,378

% Represents percentage of net assets.
[1] Non-income producing securities.
[2] Foreign corporation.
[3] At March 31, 2025, the market value of restricted securities amounted to $301,563,820 or 14.22% 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

March 31, 2025

Shares		Cost	Value
Common Stocks (99.18%)			
Australia (1.72%)			
696,788	Lynas Rare Earths Ltd.[1]	$ 3,020,095	$ 3,050,810
45,441	WiseTech Global Ltd.	3,309,427	2,343,302
Total Australia		6,329,522	5,394,112
Brazil (1.03%)			
108,601	Afya Ltd., Cl A	1,445,937	1,947,216
215,532	Localiza Rent a Car SA	2,384,824	1,268,691
Total Brazil		3,830,761	3,215,907
Canada (5.14%)			
39,728	Agnico Eagle Mines Ltd.	1,892,143	4,306,912
2,836	Constellation Software, Inc.	64,687	8,981,412
349,853	Lundin Mining Corp.	3,453,031	2,834,708
Total Canada		5,409,861	16,123,032
China (11.27%)			
35,939	Alibaba Group Holding Limited, ADR	3,144,830	4,752,214
63,793	BYD Co. Ltd., Cl H	2,935,749	3,230,255
892,700	China Mengniu Dairy Co. Ltd.	1,560,882	2,204,901
71,281	Contemporary Amperex Technology Co. Ltd., Cl A	2,150,990	2,494,851
441,017	Full Truck Alliance Co. Ltd., ADR	3,024,460	5,631,787
1,375,266	Kingdee International Software Group Co. Ltd.[1]	929,983	2,341,251
35,788	Li Auto, Inc., ADR[1]	1,021,535	901,858
124,110	Meituan, Cl B, 144A[1]	1,695,646	2,497,399
36,750	Tencent Holdings Limited	387,022	2,348,175
31,390	Tencent Holdings Limited, ADR	1,285,943	2,003,938
128,564	Tencent Music Entertainment Group, ADR	1,227,222	1,852,607
94,487	Zai Lab Limited, ADR[1]	2,029,214	3,414,760
335,658	Zhejiang Shuanghuan Driveline Co. Ltd., Cl A	1,627,270	1,650,689
Total China		23,020,746	35,324,685
Denmark (0.79%)			
35,662	Novo Nordisk AS, ADR	3,449,525	2,476,369
France (7.77%)			
14,334	Airbus SE	2,286,923	2,524,011
97,593	BNP Paribas S.A.	3,973,988	8,156,756
65,642	Eurofins Scientific SE	622,552	3,501,522
2,619	LVMH Moët Hennessy Louis Vuitton SE	585,596	1,621,889
20,965	Pernod Ricard SA	3,310,091	2,071,187
49,718	TotalEnergies SE	2,874,437	3,203,476
298,331	Waga Energy SA[1]	7,634,821	3,285,901
Total France		21,288,408	24,364,742
Germany (3.36%)			
198,844	Deutsche Bank AG	4,745,592	4,738,452
55,837	Symrise AG	4,411,659	5,788,845
Total Germany		9,157,251	10,527,297
Greece (0.51%)			
291,643	Piraeus Financial Holdings SA	1,619,154	1,602,502
Hong Kong (0.49%)			
128,987	Techtronic Industries Co. Ltd.	791,164	1,545,816
India (7.93%)			
285,490	Bharti Airtel Ltd. PP	1,467,109	4,306,383
146,671	Godrej Consumer Products Ltd.	1,818,436	1,983,542
47,281	Godrej Properties Ltd.[1]	675,088	1,168,525
352,411	Indus Towers Ltd.[1]	1,311,193	1,370,364

Shares		Cost	Value
Common Stocks (continued)			
India (continued)			
45,582	InterGlobe Aviation Ltd., 144A[1]	$ 1,973,628	$ 2,716,655
416,381	Jio Financial Services Ltd.[1]	959,482	1,102,687
1,050,760	JM Financial Limited	1,058,687	1,173,748
38,759	Kaynes Technology India Ltd.[1]	1,287,777	2,133,252
165,157	Max Healthcare Institute Ltd.	1,106,306	2,112,476
216,115	Nippon Life India Asset Management Ltd., 144A	692,227	1,453,988
222,432	Reliance Industries Limited	1,911,607	3,306,967
32,937	Trent Ltd.	596,885	2,041,740
Total India		14,858,425	24,870,327
Ireland (1.73%)			
458,103	Bank of Ireland Group PLC	3,470,001	5,412,630
Israel (4.87%)			
14,733	CyberArk Software Ltd.[1]	2,665,598	4,979,754
126,928	Oddity Tech Ltd., Cl A[1]	4,300,841	5,490,906
29,369	Wix.com Ltd.[1]	2,121,011	4,798,307
Total Israel		9,087,450	15,268,967
Italy (0.82%)			
125,584	Stevanato Group SpA	2,649,721	2,564,425
Japan (10.32%)			
287,300	Ajinomoto Co., Inc.	5,357,223	5,687,882
44,775	Japan Airport Terminal Co. Ltd.	1,822,435	1,234,437
145,252	Japan Exchange Group, Inc.	1,312,805	1,494,777
10,118	Keyence Corporation	2,600,374	3,978,498
851,966	LY Corp.	2,327,705	2,884,891
295,681	Mitsubishi UFJ Financial Group, Inc., ADR	2,104,691	4,030,132
61,400	Recruit Holdings Co, Ltd.	959,835	3,181,209
198,100	SMS Co. Ltd.	5,369,471	1,492,213
229,191	Sumitomo Mitsui Financial Group, Inc.	3,245,627	5,893,557
18,133	Tokyo Electron Limited	1,479,590	2,486,624
Total Japan		26,579,756	32,364,220
Korea, Republic of (5.38%)			
98,752	Coupang, Inc.[1]	1,175,761	2,165,631
18,774	HD Hyundai Heavy Industries Co. Ltd.	1,728,542	3,590,346
39,534	HD Korea Shipbuilding & Offshore Engineering Co. Ltd.	2,739,371	5,443,992
28,658	ISC Co. Ltd.	1,178,696	1,029,487
14,855	Park Systems Corp.	1,951,113	2,123,645
35,448	Samsung Electronics Co., Ltd.	1,892,966	1,405,352
8,281	SK Hynix, Inc.	1,087,732	1,103,907
Total Korea, Republic of		11,754,181	16,862,360
Netherlands (7.95%)			
90,734	AMG Critical Materials NV	2,181,920	1,413,982
16,519	argenx SE, ADR[1]	463,028	9,777,018
6,122	BE Semiconductor Industries NV	787,330	639,788
56,551	DSM-Firmenich AG	7,177,151	5,598,439
45,628	Prosus NV	1,600,969	2,119,837
194,063	Universal Music Group NV	4,137,782	5,358,661
Total Netherlands		16,348,180	24,907,725
Peru (1.08%)			
18,162	Credicorp, Ltd.	2,564,129	3,381,038
Poland (2.88%)			
25,496	Dino Polska SA, 144A[1]	1,817,180	2,975,927
412,378	InPost SA[1]	3,567,055	6,052,171
Total Poland		5,384,235	9,028,098

Baron International Growth Fund — PORTFOLIO OF INVESTMENTS (Continued)

March 31, 2025

Shares		Cost	Value
Common Stocks (continued)			
Russia (0.00%)^			
487,800	Sberbank of Russia PJSC[2]	$ 1,650,983	$ 333
Spain (3.92%)			
1,014,290	eDreams ODIGEO SA[1]	7,041,602	7,896,611
88,354	Industria de Diseno Textil, S.A.	2,537,885	4,399,310
Total Spain		9,579,487	12,295,921
Sweden (2.01%)			
265,359	Epiroc AB, Cl A	4,367,765	5,342,825
31,083	EQT AB	955,774	947,815
Total Sweden		5,323,539	6,290,640
Switzerland (2.23%)			
8,454	Compagnie Financiere Richemont SA, Cl A	989,605	1,475,779
29,618	Nestle S.A.	2,617,877	2,993,094
57,152	On Holding AG, Cl A[1]	3,240,526	2,510,116
Total Switzerland		6,848,008	6,978,989
Taiwan (3.33%)			
15,898	eMemory Technology, Inc.	1,212,839	1,117,751
330,453	Taiwan Semiconductor Manufacturing Co., Ltd.	6,879,824	9,306,542
Total Taiwan		8,092,663	10,424,293
United Kingdom (8.52%)			
79,353	AstraZeneca PLC, ADR	2,832,925	5,832,446
212,011	B&M European Value Retail S.A.	785,312	716,151
164,791	BAE Systems PLC	2,858,838	3,327,538
140,802	Experian plc	2,722,320	6,524,099
22,038	Linde Public Limited Company	3,213,541	10,304,674
Total United Kingdom		12,412,936	26,704,908
United States (4.13%)			
42,137	Agilent Technologies, Inc.	1,642,510	4,929,186
83,212	Arch Capital Group Ltd.[1]	1,253,629	8,003,330
Total United States		2,896,139	12,932,516
TOTAL COMMON STOCKS		**214,396,225**	**310,861,852**
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 (1.01%)			
$3,154,910	Repurchase Agreement with Fixed Income Clearing Corp., dated 3/31/2025, 3.85% due 4/1/2025; Proceeds at maturity $3,155,248; (Fully Collateralized by $3,220,300 U.S. Treasury Note, 3.875% due 3/31/2027 Market value - $3,218,063)	**$ 3,154,910**	**$ 3,154,910**
TOTAL INVESTMENTS (100.19%)		**$217,551,135**	**314,016,762**
LIABILITIES LESS CASH AND OTHER ASSETS (-0.19%)			**(581,317)**
NET ASSETS			**$313,435,445**

% Represents percentage of net assets.
[1] Non-income producing securities.
[2] At March 31, 2025, the market value of restricted securities, excluding Rule 144A securities as separately described below, amounted to $333 or 0.00% 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 March 31, 2025, the market value of Rule 144A securities amounted to $9,643,969 or 3.08% of net assets.

Summary of Investments by Sector as of March 31, 2025	Percentage of Net Assets
Industrials	16.7%
Information Technology	15.6%
Financials	15.1%
Consumer Discretionary	12.7%
Health Care	11.0%
Materials	10.6%
Consumer Staples	7.5%
Communication Services	6.4%
Energy	3.1%
Real Estate	0.4%
Cash and Cash Equivalents*	0.8%
	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

March 31, 2025

Shares		Cost	Value
Common Stocks (91.53%)			
Consumer Discretionary (21.91%)			
	Casinos & Gaming (6.06%)		
205,169	Churchill Downs, Inc.	$ 24,524,248	$ 22,788,121
692,600	Las Vegas Sands Corp.	27,027,500	26,755,138
476,249	Red Rock Resorts, Inc., Cl A	5,106,689	20,654,919
656,478	Wynn Resorts Ltd.	58,586,855	54,815,913
		115,245,292	125,014,091
	Home Improvement Retail (2.00%)		
176,900	Lowe's Companies, Inc.	34,513,425	41,258,387
	Homebuilding (7.69%)		
195,400	D.R. Horton, Inc.	11,211,784	24,841,202
69,200	Installed Building Products, Inc.	7,610,808	11,865,032
182,049	Lennar Corp., Cl A	10,613,280	20,895,584
775,450	Taylor Morrison Home Corp.[1]	49,336,678	46,558,018
514,950	Toll Brothers, Inc.	36,765,275	54,373,571
		115,537,825	158,533,407
	Hotels, Resorts & Cruise Lines (6.16%)		
109,250	Expedia Group, Inc.	17,353,454	18,364,925
251,250	Hilton Worldwide Holdings, Inc.	40,878,665	57,171,937
420,500	Hyatt Hotels Corp., Cl A	53,832,001	51,511,250
		112,064,120	127,048,112
Total Consumer Discretionary		377,360,662	451,853,997
Financials (9.04%)			
	Asset Management & Custody Banks (9.04%)		
383,400	Blackstone, Inc.	34,406,872	53,591,652
1,075,556	Brookfield Asset Management Ltd., Cl A[2]	40,823,605	52,110,688
1,541,075	Brookfield Corp., Cl A[2]	59,141,473	80,767,741
Total Financials		134,371,950	186,470,081
Industrials (5.62%)			
	Building Products (3.11%)		
303,050	Advanced Drainage Systems, Inc.	36,837,822	32,926,383
538,700	Trex Co., Inc.[1]	37,522,383	31,298,470
		74,360,205	64,224,853
	Trading Companies & Distributors (2.51%)		
426,435	SiteOne Landscape Supply, Inc.[1]	52,879,072	51,786,266
Total Industrials		127,239,277	116,011,119
Information Technology (1.80%)			
	Internet Services & Infrastructure (1.80%)		
1,469,225	GDS Holdings Ltd., ADR[1,2]	11,976,577	37,215,469

Shares		Cost	Value
Common Stocks (continued)			
Materials (7.23%)			
	Construction Materials (4.85%)		
557,900	CRH PLC[2]	$ 57,496,289	$ 49,078,463
218,045	Vulcan Materials Co.	48,183,250	50,869,898
		105,679,539	99,948,361
	Forest Products (2.38%)		
533,552	Louisiana-Pacific Corp.	48,125,522	49,076,113
Total Materials		153,805,061	149,024,474
Real Estate (45.93%)			
	Data Center REITs (3.73%)		
147,704	Digital Realty Trust, Inc.	15,591,117	21,164,506
68,535	Equinix, Inc.	32,419,078	55,880,012
		48,010,195	77,044,518
	Health Care REITs (6.34%)		
853,500	Welltower, Inc.	82,201,173	130,764,735
	Industrial REITs (2.95%)		
545,300	Prologis, Inc.	61,991,291	60,959,087
	Multi-Family Residential REITs (5.21%)		
123,065	AvalonBay Communities, Inc.	23,695,248	26,412,211
759,702	Equity Residential	47,877,318	54,379,469
1,253,000	Independence Realty Trust, Inc.	26,817,282	26,601,190
		98,389,848	107,392,870
	Office REITs (3.22%)		
550,600	Kilroy Realty Corp.	21,622,452	18,037,656
1,306,300	Vornado Realty Trust	42,214,444	48,320,037
		63,836,896	66,357,693
	Other Specialized REITs (0.22%)		
168,824	Millrose Properties, Inc., Cl A[1]	1,867,193	4,475,524
	Real Estate Services (13.75%)		
779,900	CBRE Group, Inc., Cl A[1]	66,710,276	101,995,322
838,913	CoStar Group, Inc.[1]	47,219,721	66,467,077
464,492	Jones Lang LaSalle, Inc.[1]	94,277,183	115,152,212
		208,207,180	283,614,611
	Retail REITs (1.28%)		
1,532,164	The Macerich Co.	27,379,622	26,307,256
	Self Storage REITs (1.15%)		
159,750	Extra Space Storage, Inc.	24,484,067	23,721,278
	Single-Family Residential REITs (2.40%)		
1,309,893	American Homes 4 Rent, Cl A	48,551,089	49,527,054
	Telecom Tower REITs (5.68%)		
538,550	American Tower Corp.	105,816,106	117,188,480
Total Real Estate		770,734,660	947,353,106
TOTAL COMMON STOCKS		**1,575,488,187**	**1,887,928,246**

Baron Real Estate Fund — PORTFOLIO OF INVESTMENTS (Continued)

March 31, 2025

Principal Amount		Cost	Value
Short-Term Investments (8.55%)			
$176,423,614	Repurchase Agreement with Fixed Income Clearing Corp., dated 3/31/2025, 3.85% due 4/1/2025; Proceeds at maturity $176,442,482; (Fully Collateralized by $178,575,800 U.S. Treasury Note, 4.25% due 3/15/2027 Market value - $179,952,155)	**$ 176,423,614**	**$ 176,423,614**
TOTAL INVESTMENTS (100.08%)		**$1,751,911,801**	**2,064,351,860**
LIABILITIES LESS CASH AND OTHER ASSETS (-0.08%)			**(1,634,605)**
Net Assets			**$2,062,717,255**

% Represents percentage of net assets.
1 Non-income producing securities.
2 Foreign corporation.
ADR American Depositary Receipt.

Baron Emerging Markets Fund — PORTFOLIO OF INVESTMENTS

March 31, 2025

Shares		Cost	Value
Common Stocks (98.42%)			
Argentina (0.76%)			
13,947	MercadoLibre, Inc.[1]	$ 25,407,933	$ 27,208,784
Brazil (4.45%)			
1,172,759	Afya Ltd., Cl A	24,784,834	21,027,569
3,264,520	Banco BTG Pactual SA	22,238,439	19,278,943
1,480,640	Inter & Co., Inc. BDR	5,938,316	8,097,990
5,460,008	Localiza Rent a Car SA	36,038,929	32,139,363
832,725	NU Holdings Ltd., Cl A[1]	6,104,156	8,527,104
1,075,018	Sigma Lithium Corp.[1]	14,912,940	11,180,187
3,719,834	Suzano SA	30,192,659	34,509,723
907,933	WEG SA	6,961,420	7,204,340
1,281,705	XP, Inc., Cl A	16,111,737	17,623,444
Total Brazil		163,283,430	159,588,663
China (33.17%)			
1,145,009	Alibaba Group Holding Limited, ADR	95,902,134	151,404,540
1,777,048	BYD Co. Ltd., Cl H	79,387,780	89,983,524
22,304,771	China Mengniu Dairy Co. Ltd.	41,074,168	55,091,072
2,034,627	Contemporary Amperex Technology Co. Ltd., Cl A	58,214,824	71,212,401
6,760,964	Full Truck Alliance Co. Ltd., ADR	48,709,026	86,337,510
2,274,605	Fuyao Glass Industry Group Co. Ltd., Cl A	13,304,113	18,357,346
672,839	JD.com, Inc., ADR	24,418,822	27,667,140
3,374,659	Jiangsu Hengli Hydraulic Co. Ltd., Cl A	25,374,029	37,167,766
1,192,869	KE Holdings, Inc., ADR	28,924,992	23,964,738
34,823,855	Kingdee International Software Group Co. Ltd.[1]	22,806,022	59,284,093
680,600	Li Auto, Inc., ADR[1]	16,395,331	17,151,120
3,401,814	Meituan, Cl B, 144A[1]	50,659,926	68,452,885
965,490	Midea Group Co. Ltd.[1]	6,851,770	9,788,387
1,814,850	Midea Group Co., Ltd., Cl A	11,245,241	19,653,421
10,365,391	NARI Technology Co. Ltd., Cl A	32,225,520	31,307,765
6,921,580	SF Holding Co. Ltd., Cl H[1]	30,822,465	34,207,265
3,879,012	Shenzhou International Group Holdings Ltd.	17,720,199	29,167,057
2,385,215	Tencent Holdings Limited	44,280,976	152,405,467
495,360	Tencent Holdings Limited, ADR	20,763,703	31,623,782
2,308,318	Tencent Music Entertainment Group, ADR	22,063,000	33,262,862
8,485,425	Wuxi Biologics Cayman, Inc., 144A[1]	23,224,274	29,677,249
656,735	XPeng, Inc., ADR[1]	10,374,069	13,607,549
1,275,899	XPeng, Inc., Cl A[1]	9,172,208	13,185,541
1,336,390	Zai Lab Limited, ADR[1]	26,456,369	48,297,135
7,599,018	Zhejiang Shuanghuan Driveline Co. Ltd., Cl A	35,209,361	37,370,234
Total China		795,580,322	1,189,627,849
Greece (0.51%)			
3,309,238	Piraeus Financial Holdings SA	18,370,361	18,183,392
Hong Kong (0.49%)			
1,463,301	Techtronic Industries Co. Ltd.	5,622,596	17,536,601
India (26.20%)			
862,335	Bajaj Finance Limited	50,709,048	89,845,609
3,860,981	Bharti Airtel Ltd.	27,306,814	78,054,688
1,036,862	Bharti Airtel Ltd. PP	3,460,414	15,640,215
1,349,950	Cholamandalam Investment & Finance Co. Ltd.	21,294,618	23,902,481
739,970	Cummins India Ltd.	29,644,151	26,266,087
6,982,768	DCW Ltd.[1]	7,895,738	6,306,152
2,731,040	Godrej Consumer Products Ltd.	31,113,896	36,933,912
Common Stocks (continued)			
India (continued)			
929,220	Godrej Properties Ltd.[1]	$ 17,405,481	$ 22,965,182
1,127,830	HDFC Bank Ltd.	18,113,871	24,041,056
11,962,224	Indus Towers Ltd.[1]	34,725,186	46,515,563
882,748	InterGlobe Aviation Ltd., 144A[1]	38,101,278	52,611,160
7,661,946	Jio Financial Services Ltd.[1]	18,300,822	20,290,860
27,714,016	JM Financial Limited	32,301,406	30,957,843
642,375	Kaynes Technology India Ltd.[1]	22,728,450	35,355,600
807,835	Kotak Mahindra Bank Ltd.	17,942,211	20,450,888
647,857	Mahindra & Mahindra Ltd.	11,986,848	20,108,969
2,786,578	Max Healthcare Institute Ltd.	21,438,529	35,642,325
4,634,777	Nippon Life India Asset Management Ltd., 144A	14,845,428	31,182,061
289,370	Nuvama Wealth Management Ltd.	11,033,358	20,483,998
12,056,463	Power Grid Corp. of India Ltd.	45,965,043	40,800,980
3,496,189	Reliance Industries Limited	29,238,906	51,978,952
2,236,344	SBI Life Insurance Company Limited, 144A	22,801,135	40,338,527
541,861	SRF Ltd.	17,148,293	18,582,636
875,754	Swiggy Ltd.[1]	3,657,744	3,383,240
14,689,512	Swiggy Ltd.[1,2]	70,999,923	56,748,976
1,362,466	Tata Communications Ltd.	6,968,932	25,039,985
1,581,779	Tata Consumer Products Ltd.	5,511,261	18,462,541
266,130	Titan Co. Ltd.	3,432,364	9,497,525
598,141	Trent Ltd.	11,213,813	37,078,305
Total India		647,284,961	939,466,316
Indonesia (0.68%)			
100,595,471	Bank Rakyat Indonesia (Persero) Tbk PT	29,283,902	24,317,137
Korea, Republic of (11.65%)			
2,394,427	Coupang, Inc.[1]	29,338,332	52,509,784
1,001,729	Hanwha Systems Co. Ltd.	16,588,561	22,024,826
268,034	HD Hyundai Heavy Industries Co. Ltd.	14,045,450	51,258,912
617,248	HD Korea Shipbuilding & Offshore Engineering Co. Ltd.	53,272,107	84,997,545
509,069	HPSP Co. Ltd.	11,340,584	9,239,141
283,998	Hyundai Glovis Co. Ltd.	27,299,442	21,835,066
521,726	ISC Co. Ltd.	19,531,846	18,742,069
728,390	Korea Aerospace Industries Ltd.	24,911,487	37,414,229
131,186	Park Systems Corp.	17,158,021	18,754,121
33,246	Samsung Biologics Co. Ltd., 144A[1]	25,792,652	23,073,074
1,507,193	Samsung Electronics Co., Ltd.	36,102,718	59,753,362
137,501	SK Hynix, Inc.	11,334,291	18,329,704
Total Korea, Republic of		286,715,491	417,931,833
Mexico (0.97%)			
6,973,582	Grupo Mexico S.A.B. de C.V., Series B	17,317,797	34,839,797
Peru (1.46%)			
281,429	Credicorp, Ltd.	34,838,185	52,390,823
Philippines (1.19%)			
15,889,601	BDO Unibank, Inc.	26,860,007	42,566,638
Poland (2.58%)			
276,562	Dino Polska SA, 144A[1]	24,575,975	32,280,683
4,094,436	InPost SA[1]	47,829,567	60,091,047
Total Poland		72,405,542	92,371,730

Baron Emerging Markets Fund — PORTFOLIO OF INVESTMENTS (Continued)

March 31, 2025

Shares		Cost	Value
Common Stocks (continued)			
Russia (0.00%)^			
17,949,100	Sberbank of Russia PJSC[2]	$ 64,430,586	$ 12,263
South Africa (1.64%)			
563,179	Gold Fields Ltd.	5,659,351	12,442,707
1,150,829	Gold Fields Ltd., ADR	10,749,288	25,421,813
85,054	Naspers Ltd., Cl N	12,009,190	21,092,585
Total South Africa		28,417,829	58,957,105
Spain (0.44%)			
2,176,630	Codere Online Luxembourg, S.A. Private Shares[1]	18,185,897	15,780,567
Taiwan (11.54%)			
145,971	ASPEED Technology, Inc.	15,948,413	13,517,728
1,354,523	Chroma ATE, Inc.	13,668,218	11,836,241
4,234,490	Delta Electronics, Inc.	15,207,757	46,834,534
3,466,851	E Ink Holdings, Inc.	29,358,938	28,222,946
236,184	eMemory Technology, Inc.	18,782,638	16,605,536
9,728,491	Taiwan Semiconductor Manufacturing Co., Ltd.	182,168,158	273,983,320
138,639	Taiwan Semiconductor Manufacturing Co., Ltd., ADR	2,419,001	23,014,074
Total Taiwan		277,553,123	414,014,379
United Arab Emirates (0.69%)			
63,946,587	Talabat Holding PLC[1]	27,930,088	24,722,067
TOTAL COMMON STOCKS		**2,539,488,050**	**3,529,515,944**
Private Common Stocks (1.10%)			
India (1.10%)			
27,027	Pine Labs PTE. Ltd., Series 1[1,2]	10,077,362	9,925,936
6,833	Pine Labs PTE. Ltd., Series A[1,2]	2,547,771	2,509,488
7,600	Pine Labs PTE. Ltd., Series B[1,2]	2,833,757	2,791,176
6,174	Pine Labs PTE. Ltd., Series B2[1,2]	2,302,055	2,267,463
9,573	Pine Labs PTE. Ltd., Series C[1,2]	3,569,416	3,515,780
1,932	Pine Labs PTE. Ltd., Series C1[1,2]	720,371	709,546
2,459	Pine Labs PTE. Ltd., Series D[1,2]	916,870	903,092
45,680	Pine Labs PTE. Ltd., Series J[1,2]	17,032,398	16,776,437
TOTAL PRIVATE COMMON STOCKS		**40,000,000**	**39,398,918**
Private Convertible Preferred Stocks (0.00%)^			
India (0.00%)^			
15,334	Think & Learn Private Limited, Series F[1,2]	**49,776,072**	**73,657**
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**	**9,149**

Principal Amount		Cost	Value
Short-Term Investments (0.98%)			
$35,146,769	Repurchase Agreement with Fixed Income Clearing Corp., dated 3/31/2025, 3.85% due 4/1/2025; Proceeds at maturity $35,150,528; (Fully Collateralized by $35,575,600 U.S. Treasury Note, 4.25% due 3/15/2027 Market value - $35,849,873)	$ 35,146,769	$ 35,146,769
TOTAL INVESTMENTS (100.50%)		$2,664,410,891	3,604,144,437
LIABILITIES LESS CASH AND OTHER ASSETS (-0.50%)			(17,798,610)
NET ASSETS			$3,586,345,827

% Represents percentage of net assets.
1 Non-income producing securities.
2 At March 31, 2025, the market value of restricted securities, excluding Rule 144A securities as separately described below, amounted to $96,233,814 or 2.68% 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 March 31, 2025, the market value of Rule 144A securities amounted to $277,615,639 or 7.74% of net assets.

Summary of Investments by Sector as of March 31, 2025	Percentage of Net Assets
Consumer Discretionary	21.9%
Industrials	18.8%
Information Technology	17.7%
Financials	14.8%
Communication Services	10.7%
Materials	4.0%
Consumer Staples	4.0%
Health Care	3.8%
Energy	1.4%
Real Estate	1.3%
Utilities	1.1%
Cash and Cash Equivalents*	0.5%
	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

March 31, 2025

Shares		Cost	Value
Common Stocks (87.47%)			
Argentina (10.26%)			
58,919	Globant S.A.[1]	$ 3,752,224	$ 6,935,945
23,269	MercadoLibre, Inc.[1]	11,883,153	45,394,794
Total Argentina		15,635,377	52,330,739
Brazil (1.51%)			
428,177	Afya Ltd., Cl A	7,664,627	7,677,214
Canada (8.86%)			
473,412	Shopify, Inc., Cl A[1]	17,000,133	45,156,404
China (2.91%)			
387,028	GDS Holdings Ltd., ADR[1]	4,436,268	9,803,419
42,316	PDD Holdings, Inc., ADR[1]	5,910,545	5,008,099
Total China		10,346,813	14,811,518
India (7.20%)			
203,149	Bajaj Finance Limited	11,299,076	21,165,841
6,607,712	Zomato Ltd.[1]	10,977,766	15,522,100
Total India		22,276,842	36,687,941
Israel (3.68%)			
323,315	Fiverr International Ltd.[1]	7,334,441	7,656,099
68,121	Wix.com Ltd.[1]	5,671,074	11,129,609
Total Israel		13,005,515	18,785,708
Korea, Republic of (4.97%)			
1,155,251	Coupang, Inc.[1]	18,752,687	25,334,654
Netherlands (9.97%)			
8,934	Adyen N.V., 144A[1]	6,863,044	13,693,992
37,600	argenx SE, ADR[1]	1,773,962	22,254,124
22,495	ASML Holding N.V.	4,142,579	14,886,586
Total Netherlands		12,779,585	50,834,702
Poland (2.11%)			
733,515	InPost SA[1]	8,201,625	10,765,264
Spain (1.71%)			
827,902	Codere Online Luxembourg S.A.[1]	7,576,156	6,002,289
375,992	Codere Online Luxembourg, S.A. Private Shares[1]	2,714,710	2,725,942
Total Spain		10,290,866	8,728,231
Taiwan (1.50%)			
45,929	Taiwan Semiconductor Manufacturing Co., Ltd., ADR	7,840,731	7,624,214
United Kingdom (1.86%)			
485,666	Endava plc, ADR[1]	18,276,569	9,475,344
United States (30.93%)			
139,157	Bill Holdings, Inc.[1]	5,551,114	6,385,915

Shares		Cost	Value
Common Stocks (continued)			
United States (continued)			
187,633	Block, Inc.[1]	$ 14,761,613	$ 10,194,101
281,213	Cloudflare, Inc., Cl A[1]	5,165,715	31,689,893
16,812	Crowdstrike Holdings, Inc., Cl A[1]	832,835	5,927,575
155,204	Datadog, Inc., Cl A[1]	5,969,200	15,397,789
154	GRAIL, Inc.[1]	7,341	3,933
49,941	Illumina, Inc.[1]	6,073,385	3,962,319
1,423,030	indie Semiconductor, Inc., Cl A[1]	8,017,750	2,895,866
360,318	NVIDIA Corp.	6,795,444	39,051,265
76,958	SailPoint, Inc.[1]	1,770,034	1,442,962
25,007	ServiceTitan, Inc., Cl A[1]	1,775,497	2,378,416
116,938	Snowflake, Inc., Cl A[1]	14,032,560	17,091,658
26,260	Tesla, Inc.[1]	6,159,805	6,805,541
74,811	Viking Therapeutics, Inc.[1]	4,953,838	1,806,686
63,729	Zscaler, Inc.[1]	2,792,273	12,645,108
Total United States		84,658,404	157,679,027
TOTAL COMMON STOCKS		**246,729,774**	**445,890,960**
Private Common Stocks (11.99%)			
United States (11.99%)			
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	46,644,050
75,250	Space Exploration Technologies Corp., Cl C[1,2]	3,428,124	13,921,250
TOTAL PRIVATE COMMON STOCKS		**27,249,649**	**61,122,856**
Private Convertible Preferred Stocks (0.01%)			
India (0.01%)			
9,201	Think & Learn Private Limited, Series F[1,2]	**29,867,591**	**44,197**
Private Preferred Stocks (0.09%)			
United States (0.09%)			
461,004	GM Cruise Holdings LLC, Cl G[1,2]	**12,147,455**	**461,004**
Warrants (0.07%)			
Spain (0.06%)			
498,034	Codere Online Luxembourg S.A. Private Shares, Exp. 11/30/2026 exercise price USD 11.50[1]	845,632	343,643
4,326	Codere Online Luxembourg SA, Exp. 11/30/2026[1]	0	2,985
Total Spain		845,632	346,628
United States (0.01%)			
228,748	Taboola.com Ltd., Exp. 12/31/2027 exercise price USD 11.50[1]	417,099	35,914
TOTAL WARRANTS		**1,262,731**	**382,542**

Baron Global Advantage Fund — PORTFOLIO OF INVESTMENTS (Continued)

March 31, 2025

Principal Amount		Cost	Value
Short-Term Investments (0.07%)			
$356,505	Repurchase Agreement with Fixed Income Clearing Corp., dated 3/31/2025, 3.85% due 4/1/2025; Proceeds at maturity $356,544; (Fully Collateralized by $363,900 U.S. Treasury Note, 3.875% due 3/31/2027 Market value - $363,353)	$ 356,505	$ 356,505
TOTAL INVESTMENTS (99.70%)		$317,613,705	508,258,064
CASH AND OTHER ASSETS LESS LIABILITIES (0.30%)			1,529,743
NET ASSETS			$509,787,807

% Represents percentage of net assets.
[1] Non-income producing securities.
[2] At March 31, 2025, the market value of restricted securities, excluding Rule 144A securities as separately described below, amounted to $61,628,057 or 12.09% 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 March 31, 2025, the market value of Rule 144A securities amounted to $13,693,992 or 2.69% of net assets.

Summary of Investments by Sector as of March 31, 2025	Percentage of Net Assets
Information Technology	47.1%
Consumer Discretionary	22.5%
Industrials	15.6%
Financials	8.8%
Health Care	5.5%
Materials	0.1%
Communication Services	0.0%^
Cash and Cash Equivalents*	0.4%
	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

March 31, 2025

Shares		Cost	Value
Common Stocks (92.95%)			
Communication Services (4.17%)			
	Movies & Entertainment (4.17%)		
185,000	Liberty Media Corporation-Liberty Formula One, Cl A[1]	$ 5,408,362	$ 15,071,950
700,000	Liberty Media Corporation-Liberty Live, Cl C[1]	24,701,179	47,698,000
Total Communication Services		30,109,541	62,769,950
Consumer Discretionary (11.71%)			
	Apparel, Accessories & Luxury Goods (1.03%)		
1,350,000	Brunello Cucinelli SpA, ADR[2]	13,630,458	15,509,112
	Casinos & Gaming (3.59%)		
1,235,000	DraftKings, Inc., Cl A[1]	23,984,451	41,014,350
300,000	Red Rock Resorts, Inc., Cl A	9,685,392	13,011,000
		33,669,843	54,025,350
	Footwear (1.02%)		
350,000	On Holding AG, Cl A[1,2]	7,945,300	15,372,000
	Home Improvement Retail (1.60%)		
300,000	Floor & Decor Holdings, Inc., Cl A[1]	9,074,455	24,141,000
	Homefurnishing Retail (0.61%)		
39,500	RH[1]	11,649,106	9,259,195
	Restaurants (3.86%)		
200,000	Texas Roadhouse, Inc.	17,901,519	33,326,000
110,000	Wingstop, Inc.	26,263,896	24,813,800
		44,165,415	58,139,800
Total Consumer Discretionary		120,134,577	176,446,457
Financials (4.03%)			
	Insurance Brokers (1.61%)		
785,000	TWFG, Inc.[1]	16,660,641	24,264,350
	Property & Casualty Insurance (2.42%)		
75,000	Kinsale Capital Group, Inc.	3,355,499	36,503,250
Total Financials		20,016,140	60,767,600
Health Care (18.61%)			
	Biotechnology (0.49%)		
113,217	Arcellx, Inc.[1]	7,799,625	7,427,035
	Health Care Equipment (5.99%)		
159,000	Inspire Medical Systems, Inc.[1]	32,117,870	25,325,520
218,000	Integer Holdings Corp.[1]	26,710,068	25,726,180
235,000	Masimo Corp.[1]	31,556,825	39,151,000
		90,384,763	90,202,700
	Health Care Supplies (1.54%)		
569,085	Establishment Labs Holdings, Inc.[1,2]	29,943,086	23,221,514

Shares		Cost	Value
Common Stocks (continued)			
Health Care (continued)			
	Life Sciences Tools & Services (10.59%)		
1,681,454	CareDx, Inc.[1,4]	$ 19,780,040	$ 29,845,808
1,132,600	Exact Sciences Corp.[1,4]	54,495,003	49,030,254
156,053	Repligen Corp.[1]	24,494,296	19,856,184
1,281,429	Stevanato Group SpA[2]	32,667,703	26,166,780
306,139	Tempus AI, Inc., Cl A[1]	11,508,310	14,768,145
668,790	Veracyte, Inc.[1,4]	17,030,107	19,829,624
		159,975,459	159,496,795
Total Health Care		288,102,933	280,348,044
Industrials (21.06%)			
	Aerospace & Defense (9.68%)		
913,109	Karman Holdings, Inc.[1]	25,983,101	30,516,103
1,942,158	Kratos Defense & Security Solutions, Inc.[1]	26,482,410	57,662,671
255,000	Loar Holdings, Inc.[1]	15,667,342	18,015,750
920,380	Mercury Systems, Inc.[1]	33,144,239	39,659,174
		101,277,092	145,853,698
	Building Products (0.87%)		
225,000	Trex Co., Inc.[1]	9,525,718	13,072,500
	Environmental & Facilities Services (1.95%)		
2,063,493	Montrose Environmental Group, Inc.[1,3]	43,484,066	29,425,410
	Human Resource & Employment Services (1.93%)		
500,000	Dayforce, Inc.[1]	26,625,883	29,165,000
	Industrial Machinery & Supplies & Components (4.21%)		
200,000	Chart Industries, Inc.[1]	26,265,365	28,872,000
375,000	Enerpac Tool Group Corp.	14,358,665	16,822,500
55,000	RBC Bearings, Inc.[1]	11,183,890	17,697,350
		51,807,920	63,391,850
	Trading Companies & Distributors (2.42%)		
300,000	SiteOne Landscape Supply,Inc.[1]	26,536,239	36,432,000
Total Industrials		259,256,918	317,340,458
Information Technology (30.71%)			
	Application Software (14.15%)		
650,000	Alkami Technology, Inc.[1]	14,374,821	17,062,500
1,500,000	Clearwater Analytics Holdings, Inc., Cl A[1]	25,944,978	40,200,000
696,171	Gitlab, Inc., Cl A[1,4]	26,672,136	32,720,037
235,357	Guidewire Software, Inc.[1]	18,259,547	44,096,488
395,000	Intapp, Inc.[1]	14,158,288	23,060,100
375,000	Procore Technologies, Inc.[1]	24,508,547	24,757,500
330,000	ServiceTitan, Inc., Cl A[1]	30,942,875	31,386,300
		154,861,192	213,282,925

Baron Discovery Fund — PORTFOLIO OF INVESTMENTS (Continued)

March 31, 2025

Shares		Cost	Value
Common Stocks (continued)			
Information Technology (continued)			
	Electronic Equipment & Instruments (5.22%)		
275,321	Advanced Energy Industries, Inc.	$ 17,644,532	$ 26,240,844
74,131	Novanta, Inc.[1,2]	8,196,882	9,479,131
700,000	PAR Technology Corp.[1]	21,961,338	42,938,000
		47,802,752	78,657,975
	Semiconductor Materials & Equipment (0.96%)		
78,129	Nova Ltd.[1,2]	1,784,398	14,401,519
	Semiconductors (1.61%)		
4,507,493	indie Semiconductor, Inc., Cl A [1]	37,165,033	9,172,748
98,600	SiTime Corp.[1]	12,723,559	15,072,982
		49,888,592	24,245,730
	Systems Software (8.77%)		
1,070,100	Couchbase, Inc.[1,4]	20,819,110	16,854,075
130,200	CyberArk Software Ltd.[1,2]	16,265,833	44,007,600
430,775	Dynatrace, Inc.[1,4]	10,425,484	20,311,041
1,775,000	SentinelOne, Inc., Cl A[1]	29,985,343	32,269,500
461,000	Varonis Systems, Inc.[1]	9,834,763	18,647,450
		87,330,533	132,089,666
Total Information Technology		341,667,467	462,677,815
Real Estate (2.66%)			
	Multi-Family Residential REITs (1.41%)		
1,000,000	Independence Realty Trust, Inc.	20,056,917	21,230,000
	Retail REITs (1.25%)		
1,100,000	The Macerich Co.	21,307,627	18,887,000
Total Real Estate		41,364,544	40,117,000
TOTAL COMMON STOCKS		**1,100,652,120**	**1,400,467,324**

Principal Amount		Cost	Value
Short-Term Investments (7.04%)			
$106,121,081	Repurchase Agreement with Fixed Income Clearing Corp., dated 3/31/2025, 3.85% due 4/1/2025; Proceeds at maturity $106,132,430; (Fully Collateralized by $60,303,900 U.S. Treasury Note, 3.875% due 3/31/2027 Market value - $60,261,542 and $47,615,100 U.S. Treasury Note, 4.25% due 3/15/2027 Market value - $47,982,113)	**$ 106,121,081**	**$ 106,121,081**
TOTAL INVESTMENTS (99.99%)		**$1,206,773,201**	**1,506,588,405**
CASH AND OTHER ASSETS LESS LIABILITIES (0.01%)			**209,435**
NET ASSETS			**$1,506,797,840**

% Represents percentage of net assets.
1 Non-income producing securities.
2 Foreign corporation.
3 An "Affiliated" investment may include any company in which the Fund owns 5% or more of its outstanding shares.
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 Durable Advantage Fund — PORTFOLIO OF INVESTMENTS

March 31, 2025

Shares		Cost	Value
Common Stocks (99.85%)			
Communication Services (11.18%)			
	Interactive Media & Services (11.18%)		
108,985	Alphabet, Inc., Cl C	$ 14,288,334	$ 17,026,727
57,053	Meta Platforms, Inc., Cl A	17,492,254	32,883,067
Total Communication Services		31,780,588	49,909,794
Consumer Discretionary (8.30%)			
	Broadline Retail (6.91%)		
161,969	Amazon.com, Inc.[1]	23,545,746	30,816,222
	Restaurants (1.39%)		
37,230	Texas Roadhouse, Inc.	6,505,635	6,203,635
Total Consumer Discretionary		30,051,381	37,019,857
Consumer Staples (1.35%)			
	Consumer Staples Merchandise Retail (1.35%)		
6,349	Costco Wholesale Corp.	3,325,829	6,004,757
Financials (33.54%)			
	Asset Management & Custody Banks (5.94%)		
94,599	Blackstone, Inc.	10,776,992	13,223,048
253,265	Brookfield Corp., Cl A[2]	9,805,361	13,273,619
		20,582,353	26,496,667
	Diversified Financial Services (3.43%)		
111,830	Apollo Global Management, Inc.	11,700,402	15,314,000
	Financial Exchanges & Data (11.13%)		
22,011	CME Group, Inc.	4,356,864	5,839,298
32,029	Moody's Corp.	11,398,217	14,915,585
16,256	MSCI, Inc.	7,988,861	9,192,768
38,811	S&P Global, Inc.	15,626,793	19,719,869
		39,370,735	49,667,520
	Investment Banking & Brokerage (3.34%)		
45,537	LPL Financial Holdings, Inc.	11,981,165	14,896,974
	Property & Casualty Insurance (1.90%)		
88,182	Arch Capital Group Ltd.[1,2]	5,523,457	8,481,345
	Transaction & Payment Processing Services (7.80%)		
23,590	Mastercard, Incorporated, Cl A	9,517,135	12,930,151
62,415	Visa, Inc., Cl A	15,919,403	21,873,961
		25,436,538	34,804,112
Total Financials		114,594,650	149,660,618
Health Care (8.18%)			
	Life Sciences Tools & Services (5.61%)		
42,419	Danaher Corp.	9,735,316	8,695,895
4,723	Mettler-Toledo International, Inc.[1]	5,865,802	5,577,438
21,635	Thermo Fisher Scientific, Inc.	11,477,399	10,765,576
		27,078,517	25,038,909
	Managed Health Care (2.57%)		
21,890	UnitedHealth Group, Incorporated	10,438,326	11,464,887
Total Health Care		37,516,843	36,503,796

Shares		Cost	Value
Common Stocks (continued)			
Industrials (5.44%)			
	Aerospace & Defense (5.44%)		
63,732	HEICO Corp., Cl A	$ 9,083,174	$ 13,445,540
7,844	TransDigm Group, Inc.[1]	10,805,327	10,850,527
Total Industrials		19,888,501	24,296,067
Information Technology (27.93%)			
	Application Software (2.67%)		
19,432	Intuit, Inc.	10,436,213	11,931,054
	IT Consulting & Other Services (1.25%)		
17,902	Accenture plc, Cl A[2]	5,446,484	5,586,140
	Semiconductors (17.18%)		
102,986	Broadcom, Inc.	13,807,221	17,242,946
23,547	Monolithic Power Systems, Inc.	12,784,526	13,656,789
197,480	NVIDIA Corp.	9,448,657	21,402,882
113,945	Taiwan Semiconductor Manufacturing Co., Ltd., ADR[2]	15,262,651	18,914,870
30,401	Texas Instruments, Inc.	5,292,595	5,463,060
		56,595,650	76,680,547
	Systems Software (6.83%)		
81,120	Microsoft Corporation	27,945,991	30,451,637
Total Information Technology		100,424,338	124,649,378
Real Estate (3.93%)			
	Health Care REITs (1.73%)		
50,373	Welltower, Inc.	6,580,377	7,717,647
	Real Estate Services (2.20%)		
124,189	CoStar Group, Inc.[1]	10,849,188	9,839,495
Total Real Estate		17,429,565	17,557,142
TOTAL COMMON STOCKS		**355,011,695**	**445,601,409**

Principal Amount		Cost	Value
Short-Term Investments (0.14%)			
$611,948	Repurchase Agreement with Fixed Income Clearing Corp., dated 3/31/2025, 3.85% due 4/1/2025; Proceeds at maturity $612,014; (Fully Collateralized by $619,500 U.S. Treasury Note, 4.25% due 3/15/2027 Market value - $624,362)	**611,948**	**611,948**
TOTAL INVESTMENTS (99.99%)		**$355,623,643**	**446,213,357**
CASH AND OTHER ASSETS LESS LIABILITIES (0.01%)			**49,405**
NET ASSETS			**$446,262,762**

% 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

March 31, 2025

Shares		Cost	Value
Common Stocks (93.47%)			
Consumer Discretionary (3.00%)			
	Casinos & Gaming (1.99%)		
54,900	Wynn Resorts Ltd.	$ 4,888,806	$ 4,584,150
	Hotels, Resorts & Cruise Lines (1.01%)		
10,147	Hilton Worldwide Holdings, Inc.	1,993,668	2,308,950
Total Consumer Discretionary		6,882,474	6,893,100
Financials (5.41%)			
	Asset Management & Custody Banks (4.80%)		
17,900	Blackstone, Inc.	2,235,846	2,502,062
101,107	Brookfield Corp., Cl A[2]	4,373,369	5,299,018
66,353	Brookfield Asset Management Ltd., Cl A[2]	2,361,374	3,214,803
		8,970,589	11,015,883
	Mortgage REITs (0.61%)		
70,226	Blackstone Mortgage Trust, Inc., Cl A	1,411,375	1,404,520
Total Financials		10,381,964	12,420,403
Information Technology (1.34%)			
	Internet Services & Infrastructure (1.34%)		
121,621	GDS Holdings Ltd., ADR[1,2]	788,819	3,080,660
Real Estate (83.72%)			
	Data Center REITs (4.14%)		
19,066	Digital Realty Trust, Inc.	1,932,574	2,731,967
8,308	Equinix, Inc.	5,581,512	6,773,928
		7,514,086	9,505,895
	Health Care REITs (18.41%)		
145,775	American Healthcare REIT, Inc.	4,134,280	4,416,982
170,416	Healthpeak Properties, Inc.	3,252,686	3,445,812
161,679	Ventas, Inc.	9,099,158	11,117,048
152,349	Welltower, Inc.	13,906,351	23,341,390
		30,392,475	42,321,232
	Industrial REITs (14.41%)		
57,645	EastGroup Properties, Inc.	9,739,833	10,154,167
78,941	First Industrial Realty Trust, Inc.	4,403,139	4,259,656
167,284	Prologis, Inc.	19,192,740	18,700,678
		33,335,712	33,114,501
	Multi-Family Residential REITs (11.55%)		
28,230	AvalonBay Communities, Inc.	5,200,848	6,058,723
131,018	Equity Residential	8,355,938	9,378,268
523,518	Independence Realty Trust, Inc.	10,083,975	11,114,287
		23,640,761	26,551,278
	Office REITs (3.51%)		
69,255	Kilroy Realty Corp.	2,701,005	2,268,794
156,466	Vornado Realty Trust	5,023,172	5,787,677
		7,724,177	8,056,471

Shares		Cost	Value
Common Stocks (continued)			
Real Estate (continued)			
	Retail REITs (7.08%)		
75,619	Agree Realty Corp.	$ 5,387,468	$ 5,837,031
206,624	The Macerich Co.	3,095,951	3,547,734
41,400	Simon Property Group, Inc.	6,459,557	6,875,712
		14,942,976	16,260,477
	Self Storage REITs (1.45%)		
22,457	Extra Space Storage, Inc.	3,533,191	3,334,640
	Single-Family Residential REITs (5.51%)		
221,982	American Homes 4 Rent, Cl A	7,841,792	8,393,139
122,735	Invitation Homes, Inc.	4,193,184	4,277,315
		12,034,976	12,670,454
	Telecom Tower REITs (14.63%)		
106,731	American Tower Corp.	21,177,111	23,224,666
56,071	Crown Castle, Inc.	5,828,964	5,844,280
20,700	SBA Communications Corp.	4,493,815	4,554,207
		31,499,890	33,623,153
	Timber REITs (3.03%)		
238,135	Weyerhaeuser Co.	7,090,551	6,972,593
Total Real Estate		171,708,795	192,410,694
TOTAL COMMON STOCKS		**189,762,052**	**214,804,857**

Principal Amount		Cost	Value
Short-Term Investments (6.55%)			
$ 15,061,448	Repurchase Agreement with Fixed Income Clearing Corp., dated 3/31/2025, 3.85% due 4/1/2025; Proceeds at maturity $15,063,058; (Fully Collateralized by $15,245,200 U.S. Treasury Note, 4.25% due 3/15/2027 Market value -$15,362,719)	**15,061,448**	**15,061,448**
TOTAL INVESTMENTS (100.02%)		**$204,823,500**	**229,866,305**
LIABILITIES LESS CASH AND OTHER ASSETS (-0.02%)			**(38,784)**
NET ASSETS			**$229,827,521**

% Represents percentage of net assets.
[1] Non-income producing securities.
[2] Foreign corporation.
ADR American Depositary Receipt.

Baron WealthBuilder Fund — PORTFOLIO OF INVESTMENTS

March 31, 2025

Shares		Cost	Value
Affiliated Mutual Funds (100.03%)			
Small Cap Funds (31.55%)			
794,505	Baron Discovery Fund - Institutional Shares	$ 19,376,030	$ 24,280,064
800,465	Baron Growth Fund - Institutional Shares	74,580,502	73,250,525
2,125,789	Baron Small Cap Fund - Institutional Shares	68,377,439	63,922,463
Total Small Cap Funds		162,333,971	161,453,052
Small/Mid Cap Funds (7.13%)			
801,818	Baron Focused Growth Fund - Institutional Shares	24,854,386	36,506,785
Mid Cap Funds (10.50%)			
563,986	Baron Asset Fund - Institutional Shares	50,645,780	53,759,101
Large Cap Funds (8.07%)			
728,560	Baron Durable Advantage Fund - Institutional Shares	12,251,852	19,386,987
426,696	Baron Fifth Avenue Growth Fund - Institutional Shares	13,657,095	21,902,311
Total Large Cap Funds		25,908,947	41,289,298
All Cap Funds (18.88%)			
473,946	Baron Opportunity Fund - Institutional Shares	10,852,835	21,057,426
416,103	Baron Partners Fund - Institutional Shares	34,152,148	75,543,419
Total All Cap Funds		45,004,983	96,600,845
Non-U.S./Global Funds (9.84%)			
895,557	Baron Emerging Markets Fund - Institutional Shares	12,282,544	13,845,312
571,799	Baron Global Advantage Fund - Institutional Shares	15,176,485	20,624,794
586,958	Baron International Growth Fund - Institutional Shares	15,491,288	15,865,471
Total Non-U.S./Global Funds		42,950,317	50,335,577
Sector Funds (14.06%)			
806,572	Baron FinTech Fund - Institutional Shares	10,691,610	13,937,563
775,854	Baron Health Care Fund - Institutional Shares	13,595,125	14,562,784
821,290	Baron Real Estate Fund - Institutional Shares	26,665,467	30,691,609
772,818	Baron Real Estate Income Fund - Institutional Shares	12,059,308	12,790,131
Total Sector Funds		63,011,510	71,982,087
TOTAL AFFILIATED MUTUAL FUNDS (100.03%)		**$414,709,894**	**511,926,745**
LIABILITIES LESS CASH AND OTHER ASSETS (-0.03%)			**(155,932)**
NET ASSETS			**$511,770,813**

% Represents percentage of net assets.

Baron Health Care Fund — PORTFOLIO OF INVESTMENTS

March 31, 2025

Shares		Cost	Value
Common Stocks (95.97%)			
Health Care (95.97%)			
	Biotechnology (20.80%)		
92,500	Arcellx, Inc.[1]	$ 4,305,567	$ 6,068,000
23,555	argenx SE, ADR[1,2]	8,176,329	13,941,380
10,000	Biohaven Ltd.[1,2]	344,753	240,400
4,500	BioNTech SE, ADR[1,2]	496,491	409,770
8,000	Gilead Sciences, Inc.	893,201	896,400
60,000	Insmed, Inc.[1]	4,365,039	4,577,400
12,000	Vertex Pharmaceuticals, Incorporated[1]	2,884,310	5,817,840
100,100	Xenon Pharmaceuticals, Inc.[1,2]	3,651,406	3,358,355
		25,117,096	35,309,545
	Health Care Distributors (1.79%)		
4,500	McKesson Corp.	2,800,452	3,028,455
	Health Care Equipment (27.34%)		
144,000	Boston Scientific Corp.[1]	7,541,549	14,526,720
7,500	DexCom, Inc.[1]	823,467	512,175
20,500	Glaukos Corp.[1]	2,020,186	2,017,610
8,000	IDEXX Laboratories, Inc.[1]	3,257,067	3,359,600
15,000	Inspire Medical Systems, Inc.[1]	2,207,639	2,389,200
22,000	Intuitive Surgical, Inc.[1]	4,999,224	10,895,940
11,150	Masimo Corp.[1]	2,061,196	1,857,590
10,000	Penumbra, Inc.[1]	2,867,706	2,674,100
22,000	Stryker Corp.	6,547,461	8,189,500
		32,325,495	46,422,435
	Health Care Facilities (1.50%)		
2,500	HCA Healthcare, Inc.	505,973	863,875
12,500	Tenet Healthcare Corp.[1]	1,631,019	1,681,250
		2,136,992	2,545,125
	Health Care Services (1.76%)		
60,000	RadNet, Inc.[1]	2,871,502	2,983,200
	Health Care Supplies (2.68%)		
54,000	The Cooper Companies, Inc.[1]	4,576,871	4,554,900
	Life Sciences Tools & Services (14.68%)		
6,500	Agilent Technologies, Inc.	800,364	760,370
10,000	Bio-Techne Corporation	569,865	586,300
30,000	Danaher Corp.	7,535,467	6,150,000
2,600	Mettler-Toledo International, Inc.[1]	2,729,783	3,070,366
7,500	Natera, Inc.[1,3]	494,567	1,060,575
16,000	Thermo Fisher Scientific, Inc.	7,592,297	7,961,600
12,000	Waters Corp.[1]	4,532,947	4,422,840
4,100	West Pharmaceutical Services, Inc.	1,098,966	917,908
		25,354,256	24,929,959
Common Stocks (continued)			
Health Care (continued)			
	Managed Health Care (12.62%)		
35,000	HealthEquity, Inc.[1]	$ 3,317,316	$ 3,092,950
35,000	UnitedHealth Group, Incorporated	12,902,587	18,331,250
		16,219,903	21,424,200
	Pharmaceuticals (12.80%)		
34,000	AstraZeneca PLC, ADR[2]	2,224,021	2,499,000
20,800	Eli Lilly & Co.	4,961,173	17,178,928
12,500	Zoetis, Inc.	1,808,548	2,058,125
		8,993,742	21,736,053
TOTAL COMMON STOCKS		**120,396,309**	**162,933,872**

Principal Amount		Cost	Value
Short-Term Investments (6.35%)			
$10,783,119	Repurchase Agreement with Fixed Income Clearing Corp., dated 3/31/2025, 3.85% due 4/1/2025; Proceeds at maturity $10,784,273; (Fully Collateralized by $11,006,600 U.S. Treasury Note, 3.875% due 3/31/2027 Market value - $10,998,940)	**10,783,119**	**10,783,119**
TOTAL INVESTMENTS (102.32%)		**$131,179,428**	**173,716,991**
LIABILITIES LESS CASH AND OTHER ASSETS (-2.32%)			**(3,936,895)**
NET ASSETS			**$169,780,096**

% 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

March 31, 2025

Shares		Cost	Value
Common Stocks (98.69%)			
Consumer Discretionary (3.80%)			
	Broadline Retail (3.80%)		
1,320	MercadoLibre, Inc.[1]	$ 1,934,666	$ 2,575,148
Financials (71.12%)			
	Asset Management & Custody Banks (4.60%)		
1,100	Blackrock, Inc.	810,567	1,041,128
18,000	KKR & Co., Inc.	2,035,995	2,080,980
		2,846,562	3,122,108
	Diversified Banks (1.90%)		
126,000	NU Holdings Ltd., Cl A[1,2]	1,013,999	1,290,240
	Diversified Financial Services (3.43%)		
17,000	Apollo Global Management, Inc.	1,218,930	2,327,980
	Financial Exchanges & Data (20.44%)		
5,000	CME Group, Inc.	1,025,662	1,326,450
3,000	FactSet Research Systems, Inc.	1,238,689	1,363,920
4,000	Moody's Corp.	1,417,488	1,862,760
5,200	Morningstar, Inc.	1,144,198	1,559,324
3,150	MSCI, Inc.	1,353,379	1,781,325
6,200	S&P Global, Inc.	2,417,984	3,150,220
19,000	Tradeweb Markets, Inc., Cl A	1,586,886	2,820,740
		10,184,286	13,864,739
	Insurance Brokers (1.34%)		
10,000	Baldwin Insurance Group, Inc. Cl A[1]	287,121	446,900
15,000	TWFG, Inc.[1]	259,710	463,650
		546,831	910,550
	Investment Banking & Brokerage (11.71%)		
10,000	Houlihan Lokey, Inc.	746,412	1,615,000
11,000	Interactive Brokers Group, Inc., Cl A	948,392	1,821,490
8,600	LPL Financial Holdings, Inc.	1,861,540	2,813,404
20,000	Robinhood Markets, Inc., Cl A[1]	946,353	832,400
11,000	The Charles Schwab Corp.	808,792	861,080
		5,311,489	7,943,374
	Life & Health Insurance (1.14%)		
2,700	Primerica, Inc.	701,456	768,231
	Property & Casualty Insurance (7.87%)		
18,000	Arch Capital Group Ltd.[1,2]	1,477,059	1,731,240
1,600	Kinsale Capital Group, Inc.	270,056	778,736
10,000	The Progressive Corp.	1,186,025	2,830,100
		2,933,140	5,340,076
	Transaction & Payment Processing Services (18.69%)		
13,000	Block, Inc.[1]	2,253,183	706,290
13,000	Fiserv, Inc.[1]	1,390,370	2,870,790
6,000	Jack Henry & Associates, Inc.	999,875	1,095,600
5,750	Mastercard, Incorporated, Cl A	1,969,960	3,151,690
9,500	Visa, Inc., Cl A	1,987,631	3,329,370
124,000	Wise PLC, Cl A (United Kingdom)[1,2]	1,430,338	1,522,086
		10,031,357	12,675,826
Total Financials		34,788,050	48,243,124

Shares		Cost	Value
Common Stocks (continued)			
Industrials (5.09%)			
	Research & Consulting Services (5.09%)		
3,200	Equifax, Inc.	$ 711,711	$ 779,392
10,000	TransUnion	965,895	829,900
6,200	Verisk Analytics, Inc.	1,183,525	1,845,244
Total Industrials		2,861,131	3,454,536
Information Technology (17.63%)			
	Application Software (14.83%)		
13,000	Alkami Technology, Inc.[1]	332,244	341,250
3,500	Bill Holdings, Inc.[1]	383,154	160,615
20,000	Clearwater Analytics Holdings, Inc., Cl A[1]	483,869	536,000
1,340	Fair Isaac Corp.[1]	581,101	2,471,175
13,400	Guidewire Software, Inc.[1]	1,500,247	2,510,624
15,000	Intapp, Inc.[1]	665,300	875,700
4,000	Intuit, Inc.	1,455,968	2,455,960
7,500	ServiceTitan, Inc., Cl A[1]	649,411	713,325
		6,051,294	10,064,649
	Internet Services & Infrastructure (1.69%)		
12,000	Shopify, Inc., Cl A[1,2]	1,691,746	1,144,620
	IT Consulting & Other Services (1.11%)		
1,200	Accenture plc, Cl A[2]	280,826	374,448
18,000	CI&T, Inc., Cl A[1,2]	259,692	107,460
2,300	Globant S.A.[1,2]	501,642	270,756
		1,042,160	752,664
Total Information Technology		8,785,200	11,961,933
Real Estate (1.05%)			
	Real Estate Services (1.05%)		
9,000	CoStar Group, Inc.[1]	771,264	713,070
TOTAL COMMON STOCKS		**49,140,311**	**66,947,811**

Principal Amount		Cost	Value
Short-Term Investments (1.42%)			
$961,363	Repurchase Agreement with Fixed Income Clearing Corp., dated 3/31/2025, 3.85% due 4/1/2025; Proceeds at maturity $961,466; (Fully Collateralized by $973,100 U.S. Treasury Note, 4.25% due 3/15/2027 Market value - $980,609)	**961,363**	**961,363**
TOTAL INVESTMENTS (100.11%)		**$50,101,674**	**67,909,174**
LIABILITIES LESS CASH AND OTHER ASSETS (-0.11%)			**(71,658)**
NET ASSETS			**$67,837,516**

% Represents percentage of net assets.
[1] Non-income producing securities.
[2] Foreign corporation.

Baron India Fund — PORTFOLIO OF INVESTMENTS

March 31, 2025

Shares		Cost	Value
Common Stocks (91.81%)			
Communication Services (13.66%)			
	Integrated Telecommunication Services (3.44%)		
50,584	Indus Towers Ltd.[1]	$ 174,483	$ 196,698
6,729	Tata Communications Ltd.	142,185	123,668
		316,668	320,366
	Movies & Entertainment (0.55%)		
6,936	Tips Industries Ltd.	38,212	51,120
	Wireless Telecommunication Services (9.67%)		
59,657	Bharti Airtel Ltd. PP	712,170	899,877
Total Communication Services		1,067,050	1,271,363
Consumer Discretionary (8.07%)			
	Apparel Retail (2.08%)		
3,129	Trent Ltd.	61,645	193,964
	Apparel, Accessories & Luxury Goods (0.82%)		
2,132	Titan Co. Ltd.	74,396	76,086
	Automobile Manufacturers (2.33%)		
7,002	Mahindra & Mahindra Ltd.	213,550	217,337
	Consumer Electronics (0.60%)		
362	Dixon Technologies India Ltd.	35,432	55,522
	Restaurants (2.24%)		
88,858	Zomato Ltd. (India)[1]	120,841	208,735
Total Consumer Discretionary		505,864	751,644
Consumer Staples (3.50%)			
	Packaged Foods & Meats (1.80%)		
14,358	Tata Consumer Products Ltd.[2]	161,654	167,587
	Personal Care Products (1.70%)		
11,706	Godrej Consumer Products Ltd.	152,973	158,309
Total Consumer Staples		314,627	325,896
Energy (4.29%)			
	Oil & Gas Refining & Marketing (4.29%)		
26,855	Reliance Industries Limited	451,739	399,262
Financials (32.90%)			
	Asset Management & Custody Banks (0.64%)		
5,383	360 ONE WAM Ltd.	36,553	59,134
	Consumer Finance (10.27%)		
5,708	Bajaj Finance Limited (India)	481,420	594,710
20,438	Cholamandalam Investment & Finance Co. Ltd.	321,975	361,879
		803,395	956,589
	Diversified Banks (15.40%)		
20,818	HDFC Bank Ltd.	419,139	443,760
38,829	ICICI Bank Ltd.	576,339	610,315
15,015	Kotak Mahindra Bank Ltd.	333,373	380,115
		1,328,851	1,434,190
	Diversified Financial Services (2.93%)		
9,951	Bajaj Finserv Ltd.	204,493	232,707
15,041	Jio Financial Services Ltd.[1]	40,095	39,833
		244,588	272,540
	Investment Banking & Brokerage (0.56%)		
735	Nuvama Wealth Management Ltd.	48,057	52,029

Shares		Cost	Value
Common Stocks (continued)			
Financials (continued)			
	Life & Health Insurance (2.51%)		
12,935	SBI Life Insurance Company Limited, 144A	$ 244,948	$ 233,318
	Specialized Finance (0.59%)		
11,038	REC Ltd.	73,243	55,023
Total Financials		2,779,635	3,062,823
Health Care (8.06%)			
	Health Care Facilities (8.06%)		
42,555	Aster DM Healthcare Ltd., 144A	206,083	239,565
11,426	HealthCare Global Enterprises Ltd.[1]	66,681	72,285
34,305	Max Healthcare Institute Ltd.	388,118	438,786
Total Health Care		660,882	750,636
Industrials (10.72%)			
	Aerospace & Defense (1.15%)		
30,756	Bharat Electronics Ltd.	108,680	107,583
	Construction & Engineering (0.41%)		
29,026	GMR Power & Urban Infra Ltd.[1]	26,273	38,520
	Construction & Machinery & Heavy Trucks (0.97%)		
2,538	Cummins India Ltd.	95,030	90,089
	Electrical Components & Equipment (0.82%)		
49,675	Precision Wires India Ltd.	82,392	76,354
	Industrial Conglomerates (0.75%)		
1,134	Siemens Ltd.	88,086	69,591
	Industrial Machinery & Supplies & Components (1.83%)		
4,200	Kirloskar Oil Engines Ltd.	33,484	35,274
4,948	Shaily Engineering Plastics Ltd.	57,327	105,269
692	Thermax Ltd.	33,819	29,485
		124,630	170,028
	Passenger Airlines (4.79%)		
7,489	InterGlobe Aviation Ltd., 144A[1]	380,823	446,339
Total Industrials		905,914	998,504
Information Technology (6.12%)			
	Electronic Manufacturing Services (1.06%)		
1,800	Kaynes Technology India Ltd.[1]	59,758	99,070
	IT Consulting & Other Services (5.06%)		
1,009	Coforge Ltd.	95,582	94,590
8,940	Tata Consultancy Services Ltd.	454,793	376,075
		550,375	470,665
Total Information Technology		610,133	569,735
Materials (0.89%)			
	Commodity Chemicals (0.40%)		
41,349	DCW Ltd.[1]	38,888	37,342
	Diversified Chemicals (0.49%)		
1,331	SRF Ltd.	40,631	45,646
Total Materials		79,519	82,988
Real Estate (0.85%)			
	Real Estate Development (0.85%)		
3,210	Godrej Properties Ltd. (India)[1]	76,489	79,333

Baron India Fund — PORTFOLIO OF INVESTMENTS (Continued)

March 31, 2025

Shares		Cost	Value
Common Stocks (continued)			
Utilities (2.75%)			
	Electric Utilities (2.75%)		
75,614	Power Grid Corp. of India Ltd.	$ 277,867	$ 255,890
TOTAL COMMON STOCKS		**7,729,719**	**8,548,074**

Principal Amount		Cost	Value
Short-Term Investments (9.95%)			
$925,907	Repurchase Agreement with Fixed Income Clearing Corp., dated 3/31/2025, 3.85% due 4/1/2025; Proceeds at maturity $926,006; (Fully Collateralized by $945,100 U.S. Treasury Note, 3.875% due 3/31/2027 Market value - $944,446)	**925,907**	**925,907**
TOTAL INVESTMENTS (101.76%)		**$8,655,626**	**9,473,981**
LIABILITIES LESS CASH AND OTHER ASSETS (-1.76%)			**(164,204)**
NET ASSETS			**$9,309,777**

% Represents percentage of net assets.

[1] Non-income producing securities.

[2] 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.

[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 March 31, 2025, the market value of Rule 144A securities amounted to $919,222 or 9.87% of net assets.

Baron Technology Fund — PORTFOLIO OF INVESTMENTS

March 31, 2025

Shares		Cost	Value
Common Stocks (99.54%)			
Communication Services (10.87%)			
	Advertising (1.69%)		
15,630	The Trade Desk, Inc., Cl A[1]	$ 1,148,547	$ 855,274
	Interactive Media & Services (1.71%)		
8,210	Reddit, Inc., Cl A[1]	740,724	861,229
	Movies & Entertainment (7.47%)		
6,847	Spotify Technology SA[1,2]	1,980,083	3,766,055
Total Communication Services		3,869,354	5,482,558
Consumer Discretionary (16.92%)			
	Automobile Manufacturers (2.82%)		
5,490	Tesla, Inc.[1]	1,152,302	1,422,788
	Broadline Retail (9.34%)		
24,750	Amazon.com, Inc.[1]	4,347,669	4,708,935
	Education Services (2.78%)		
4,515	Duolingo, Inc.[1]	881,190	1,402,088
	Hotels, Resorts & Cruise Lines (1.04%)		
67,276	eDreams ODIGEO SA (Spain)[1,2]	482,205	523,768
	Restaurants (0.94%)		
201,506	Zomato Ltd. (India)[1,2]	624,017	473,356
Total Consumer Discretionary		7,487,383	8,530,935
Consumer Staples (1.05%)			
	Personal Care Products (1.05%)		
12,203	Oddity Tech Ltd., Cl A[1,2]	575,852	527,902
Financials (1.40%)			
	Investment Banking & Brokerage (1.40%)		
2,160	LPL Financial Holdings, Inc.	725,716	706,622
Industrials (3.15%)			
	Aerospace & Defense (1.37%)		
1,316	Axon Enterprise, Inc.[1]	472,226	692,150
	Construction & Engineering (0.88%)		
1,742	Quanta Services, Inc.	468,007	442,782
	Electrical Components & Equipment (0.90%)		
6,304	Vertiv Holdings Co., Cl A	552,519	455,149
Total Industrials		1,492,752	1,590,081
Information Technology (64.17%)			
	Application Software (8.27%)		
4,840	Atlassian Corp., Cl A[1,2]	1,131,351	1,027,096
11,549	Gitlab, Inc., Cl A[1,3]	627,143	542,803
2,572	Guidewire Software, Inc.[1]	289,169	481,890
1,136	Intuit, Inc.	681,123	697,493
13,765	Samsara, Inc., Cl A[1]	529,155	527,612
847	ServiceNow, Inc.[1,3]	631,249	674,331
2,288	ServiceTitan, Inc., Cl A[1]	162,448	217,612
		4,051,638	4,168,837
	Communications Equipment (2.13%)		
13,852	Arista Networks, Inc.[1]	1,430,824	1,073,253
	Electronic Equipment & Instruments (3.70%)		
21,182	PAR Technology Corp.[1]	1,102,995	1,299,304
3,951	Park Systems Corp. (Korea, Republic of)[2]	554,417	564,828
		1,657,412	1,864,132

Shares		Cost	Value
Common Stocks (continued)			
Information Technology (continued)			
	Internet Services & Infrastructure (3.28%)		
27,088	GDS Holdings Ltd., ADR[1,2]	$ 320,496	$ 686,139
10,158	Shopify, Inc., Cl A[1,2]	764,659	968,921
		1,085,155	1,655,060
	IT Consulting & Other Services (1.35%)		
1,618	Gartner, Inc.[1]	680,160	679,139
	Semiconductor Materials & Equipment (3.40%)		
22,230	HPSP Co. Ltd. (Korea, Republic of)[2]	419,065	403,454
9,019	Lam Research Corp.	720,310	655,681
3,550	Nova Ltd.[1,2]	695,610	654,372
		1,834,985	1,713,507
	Semiconductors (24.21%)		
20,104	Broadcom, Inc.	3,068,408	3,366,013
4,318	eMemory Technology, Inc. (Taiwan)[2]	334,663	303,588
313,510	indie Semiconductor, Inc., Cl A[1]	1,523,448	637,993
966	Monolithic Power Systems, Inc.	562,830	560,260
47,923	NVIDIA Corp.	3,689,973	5,193,895
7,884	Taiwan Semiconductor Manufacturing Co., Ltd. (Taiwan)[2]	161,540	222,037
11,595	Taiwan Semiconductor Manufacturing Co., Ltd., ADR[2]	1,764,623	1,924,770
		11,105,485	12,208,556
	Systems Software (12.84%)		
8,165	Cloudflare, Inc., Cl A[1,3]	713,510	920,114
3,468	CyberArk Software Ltd.[1,2]	1,108,186	1,172,184
7,066	Datadog, Inc., Cl A[1,3]	844,432	701,018
6,687	Microsoft Corporation	2,528,222	2,510,233
1,767	Snowflake, Inc., Cl A[1,3]	324,937	258,265
4,596	Zscaler, Inc.[1]	869,413	911,938
		6,388,700	6,473,752
	Technology Hardware, Storage & Peripherals (4.99%)		
11,343	Apple, Inc.	2,129,963	2,519,620
Total Information Technology		30,364,322	32,355,856
Real Estate (1.98%)			
	Real Estate Services (1.98%)		
12,612	CoStar Group, Inc.[1]	1,034,234	999,249
TOTAL INVESTMENTS (99.54%)		**$45,549,613**	**50,193,203**
CASH AND OTHER ASSETS LESS LIABILITIES (0.46%)			**230,704**
NET ASSETS			**$50,423,907**

% 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.
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MONDAY, AUGUST 18, 2025

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- Shareholders must have a minimum investment of $40,000 in Baron Funds as of June 30, 2025
- Must be at least 18 years old

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