

Baron Funds®

March 31, 2025

Quarterly Report

"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 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



Letter from Ron

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 2015 five years after he offered to sell me a seven-acre cornfield adjoining our weekend home. When I asked him five years later 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

MARCH 31, 2025

Letter from Ron

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.

Letter from Ron

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

Fund/Benchmark	Inception Date	Average Annualized Returns %					Annual Expense Ratio	Net Assets
		1 Year	3 Years	5 Years	10 Years	Since Inception		
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 %				Since Inception	Annual Expense Ratio	Net Assets
		1 Year	3 Years	5 Years	10 Years			
Equity Allocation								
Baron WealthBuilder Fund [®]	12/29/2017	4.30%	2.29%	16.66%		11.84%	1.22%/1.19% ⁽⁶⁾⁽²⁰⁾	\$511.77 million
S&P 500 Index		8.25%	9.06%	18.59%		12.65%		
Broad-Based Benchmarks⁵								
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.

Letter from Ron

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.

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MORNINGSTAR IS NOT RESPONSIBLE FOR ANY DELETION, DAMAGE, LOSS OR FAILURE TO STORE ANY PRODUCT OUTPUT, COMPANY CONTENT OR OTHER CONTENT.

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.

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

BARON CAPITAL'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.

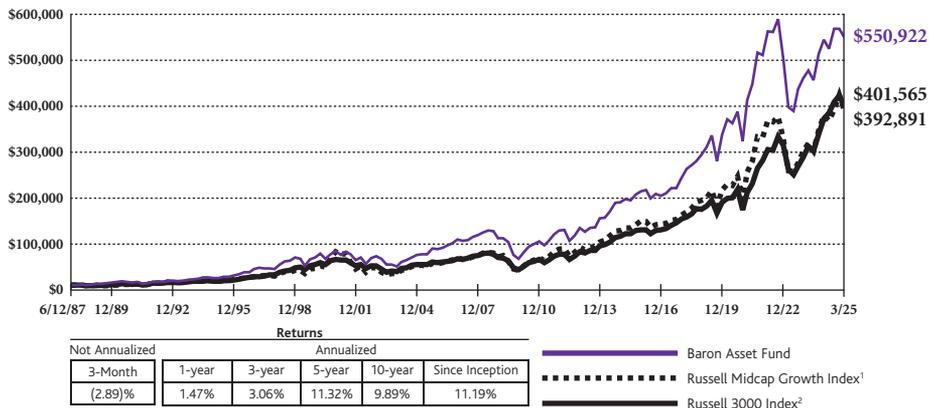
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Baron Funds Performance

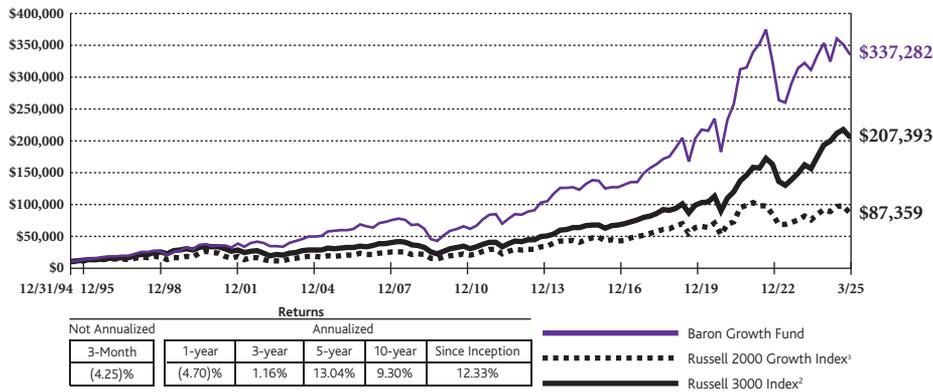
BARON ASSET FUND

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



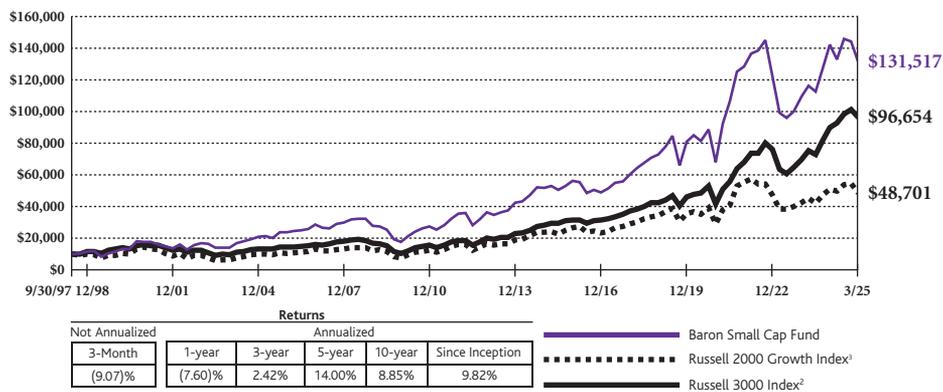
BARON GROWTH FUND

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



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

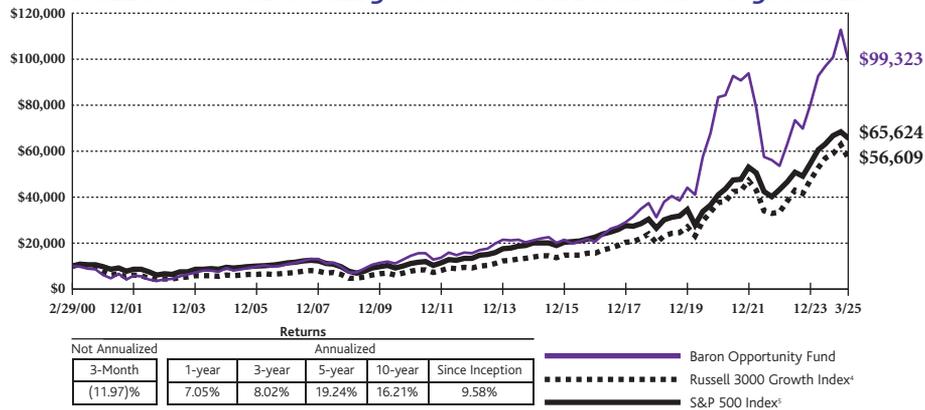


The Funds include reinvestment of dividends, net of foreign withholding taxes, while the Russell Midcap Growth Index, Russell 2000 Growth Index, and Russell 3000 Index include reinvestment of dividends before taxes. Reinvestment of dividends positively impacts performance results. The indexes are unmanaged. 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 16.

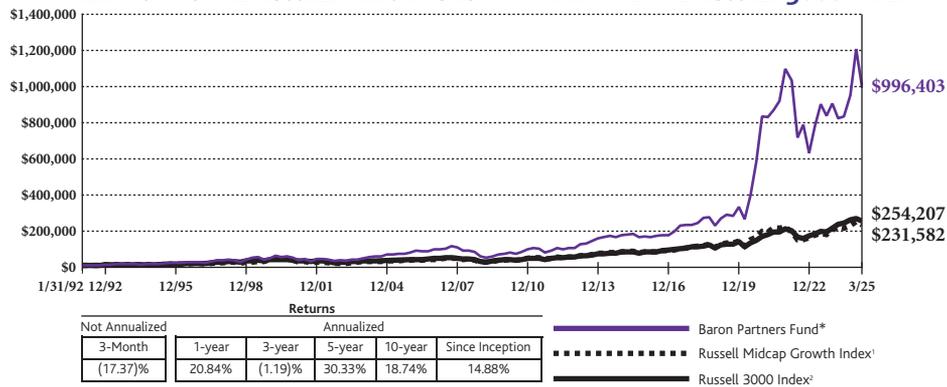
BARON OPPORTUNITY FUND

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



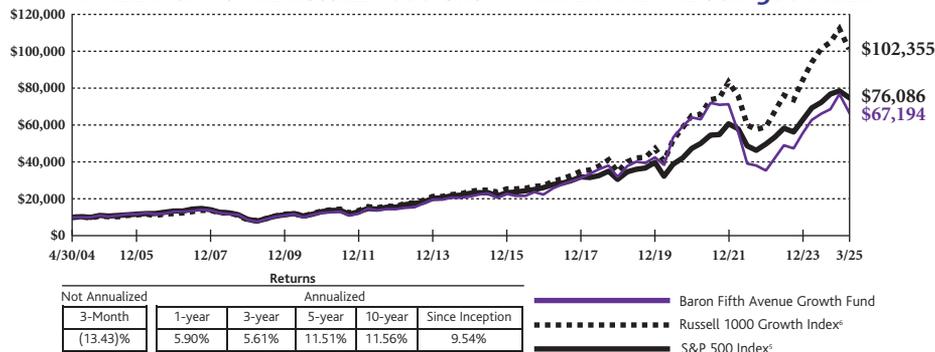
BARON PARTNERS FUND

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



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



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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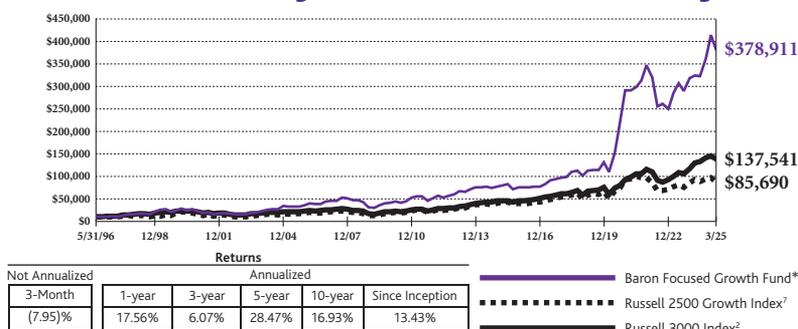
* Reflects the actual fees and expenses that were charged when the Fund was a partnership. The predecessor partnership charged a 20% performance fee after reaching a certain performance benchmark. If the annual returns for the Fund did not reflect the performance fees for the years the predecessor partnership 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 16.

Baron Funds Performance

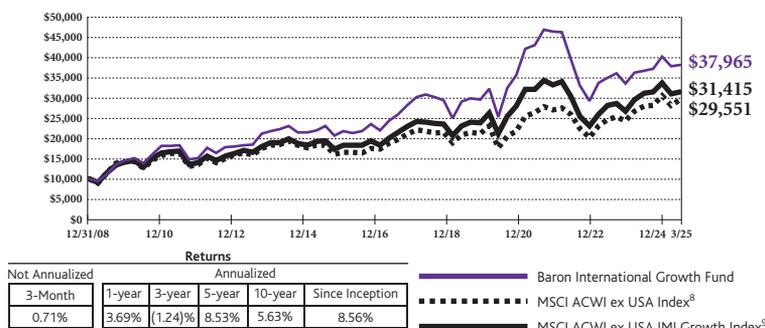
BARON FOCUSED GROWTH FUND

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



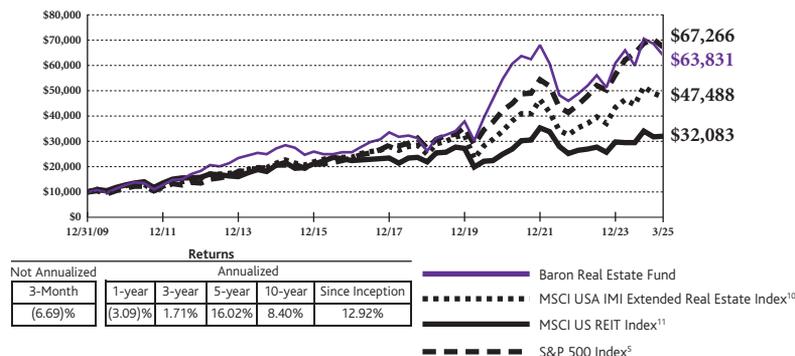
BARON INTERNATIONAL GROWTH FUND

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



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



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

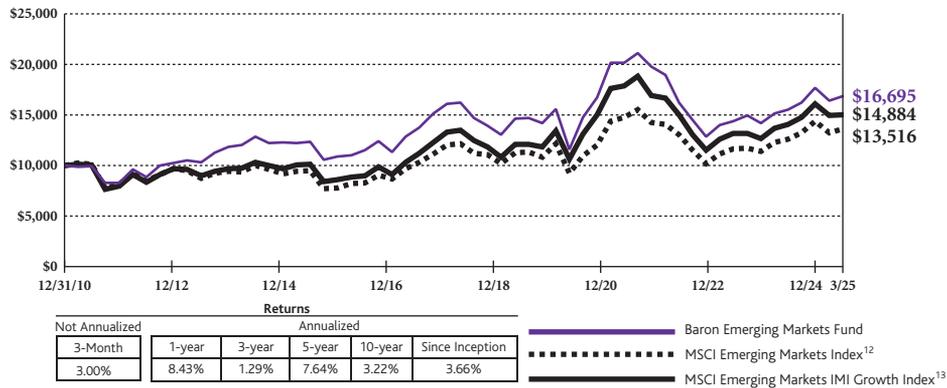
[^] Performance for the Institutional Shares prior to May 29, 2009 is based on the performance of the Retail Shares, which have a distribution fee. The Institutional Shares do not have a distribution fee. If the annual returns for the Institutional Shares prior to May 29, 2009 did not reflect this fee,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

^{*} Reflects the actual fees and expenses that were charged when the Fund was a partnership. The predecessor partnership charged a 15% performance fee through 2003 after reaching a certain performance benchmark. If the annual returns for the Fund did not reflect the performance fees for the years the predecessor partnership charged a performance fee, the returns would be higher. The Fund's shareholders will not be charged a performance fee. The predecessor partnership's performance is only for the periods before the Fund's registration statement was effective, which was June 30, 2008. During those periods, the predecessor partnership was not registered under the Investment Company Act of 1940 and was not subject to its requirements or the requirements of the Internal Revenue Code relating to registered investment companies, which, if it were, might have adversely affected its performance.

See index footnotes on page 16.

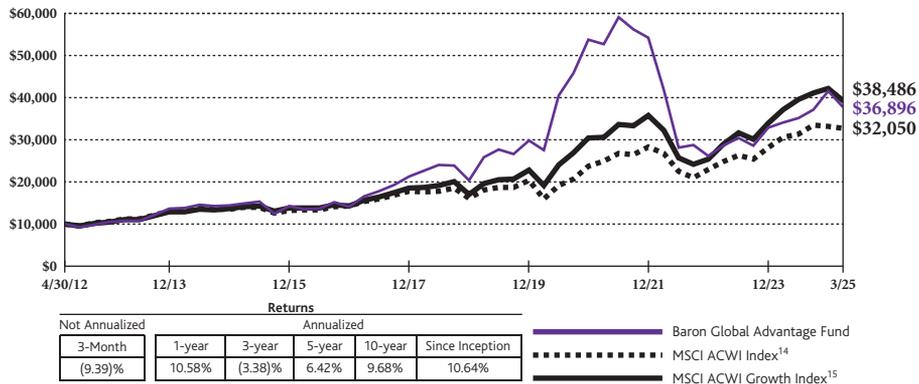
BARON EMERGING MARKETS FUND

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



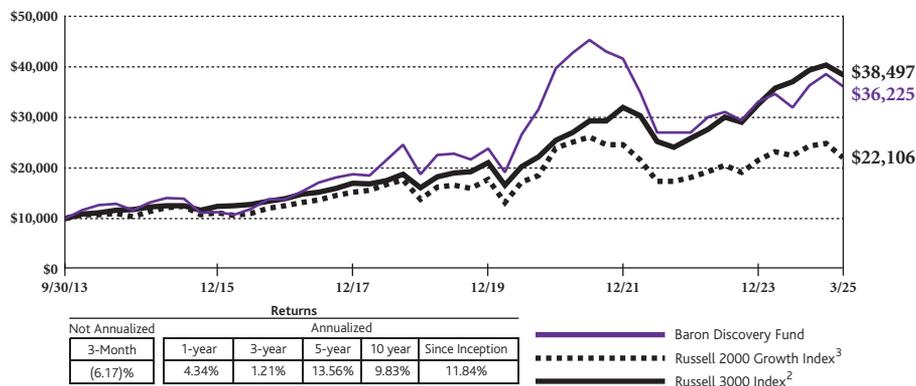
BARON GLOBAL ADVANTAGE FUND

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



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

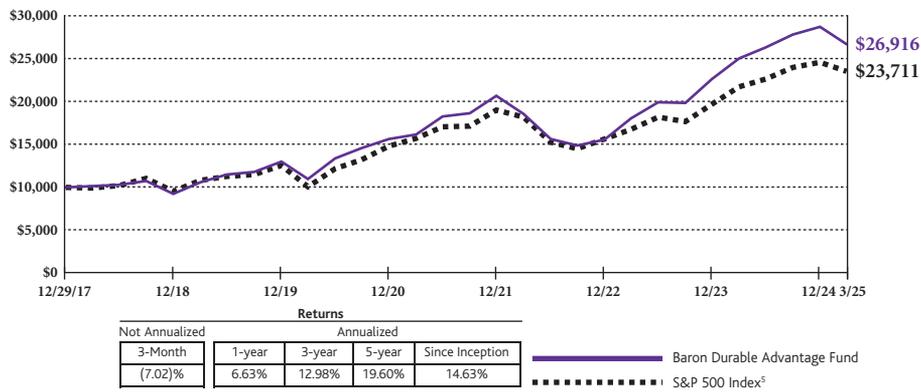


The Funds, MSCI Emerging Markets Index, MSCI Emerging Markets IMI Growth Index, MSCI ACWI Index, and MSCI ACWI Growth Index include reinvestment of dividends, net of foreign withholding taxes, while the Russell 2000 Growth Index, and Russell 3000, include reinvestment of dividends before taxes. Reinvestment 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 16.

Baron Funds Performance

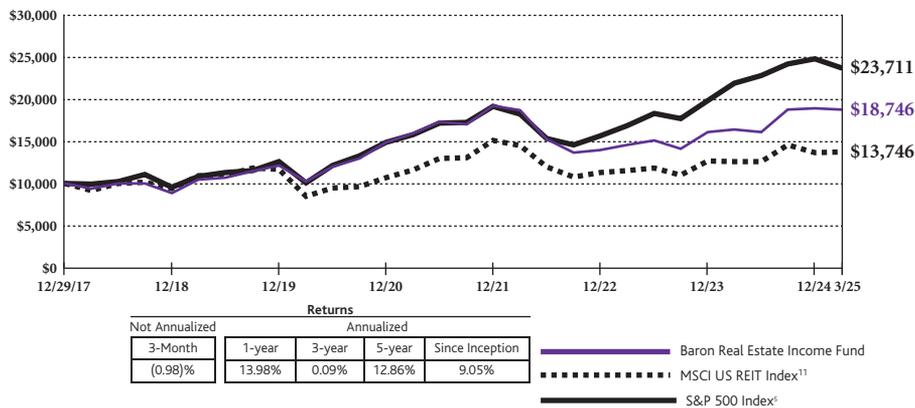
BARON DURABLE ADVANTAGE FUND

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



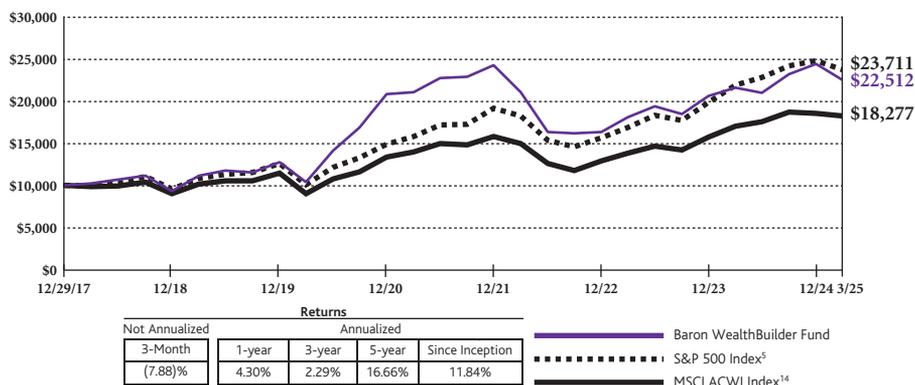
BARON REAL ESTATE INCOME FUND

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



BARON WEALTHBUILDER FUND

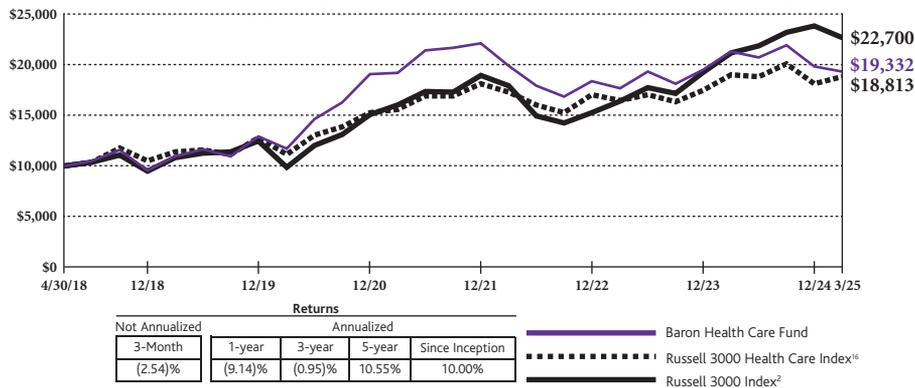
COMPARISON OF THE CHANGE IN VALUE OF \$10,000 INVESTMENT IN BARON WEALTHBUILDER FUND (INSTITUTIONAL SHARES) IN RELATION TO THE S&P 500 INDEX AND THE MSCI ACWI INDEX



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 16.

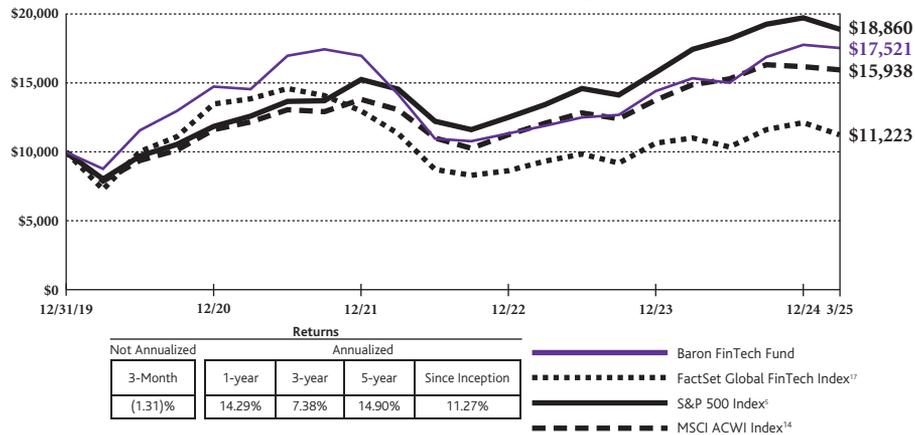
BARON HEALTH CARE FUND

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



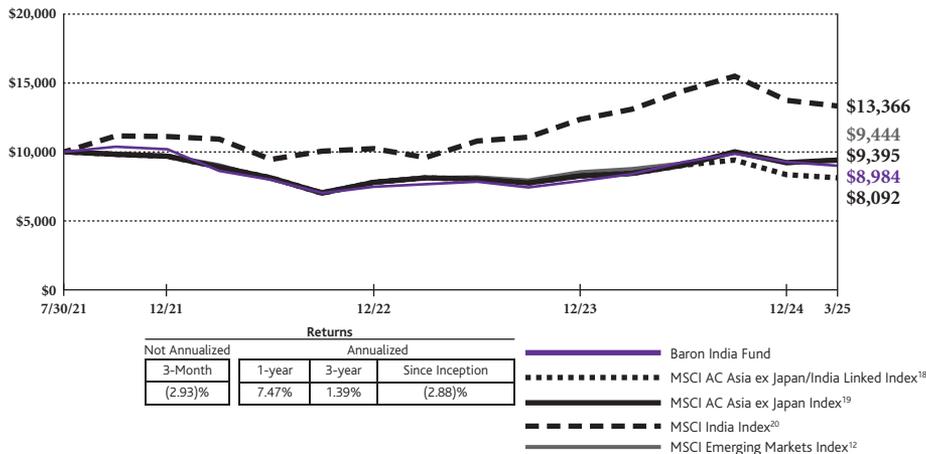
BARON FINTECH FUND

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



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



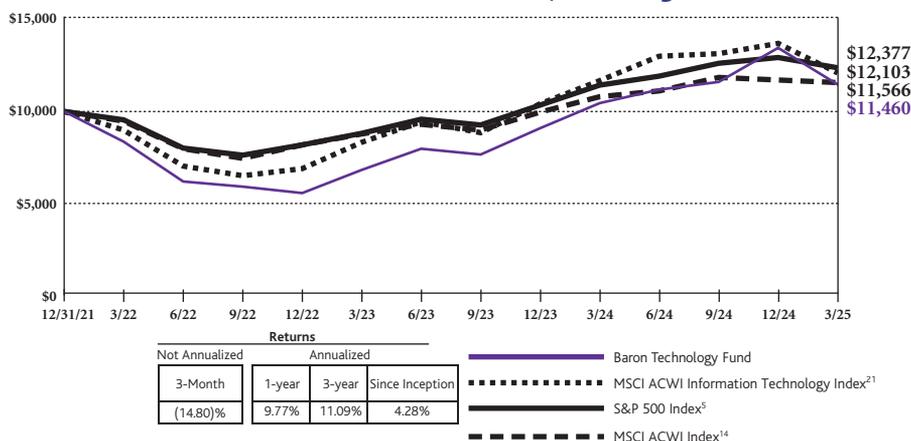
The Funds, MSCI India Index, MSCI Emerging Markets Index, MSCI AC Asia ex Japan/India Linked Index, MSCI AC Asia ex Japan Index, and MSCI ACWI Index include reinvestment of dividends, net of foreign withholding taxes, while the Russell 3000 Health Care Index, Russell 3000 Index, FactSet Global FinTech 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 16.

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



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®).

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 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).