BARON CAPITAL

QUARTERLY REPORT | JUNE 30, 2025

Baron Funds®

EST 1987

Letter from Ron

At Morningstar's Investment Conference, Research Director Adam Sabban asked what gave us the confidence to invest in SpaceX before a single launch. My answer? Simple — reusable rockets, Starlink satellites, and a plan to colonize Mars — all led by a guy who makes the impossible look inevitable. You know… just your average slow-and-steady business we like to hold for decades.

"From Schwab to SpaceX: Ron Baron's Lifetime of Bold and Patient Investing." "From its 1982 founding, Baron Capital developed its reputation and exceptional track record through its long-term, fundamental, active approach to growth investing."

Précis. Ron Baron's Keynote Interview by Morningstar Senior Analyst Adam Sabban. Morningstar 37th Annual Investment Conference. Navy Pier. Chicago. June 26, 2025.

"Decades of data show Baron's approach has provided consistent and unusually strong, long-term performance decade after decade" according to Morningstar.

One example? Since Morningstar's May 2005 IPO, Baron Capital has been one of that company's three largest "active" shareholders. During this 20-year period, Morningstar's share price increased 17.0 times, 15.1% per year. That is despite the company's substantial annual investments in its business that penalize its current profitability in order to enhance its competitive advantages… and growth prospects. Which we believe means that as Morningstar scales, its profits will increase at a much faster rate than its revenues.

Morningstar now represents 0.9% of Baron's $44.2 billion AUM. We regard this as an affirmation of our idea to teach our consistently increasing staff of 44 research analysts to identify great businesses run by terrific executives. The big lesson? As long as fundamentals of those businesses remain favorable, don't worry about the "macro." And, DON'T SELL! Further, illustrative of the concept "what goes around comes around," Joe Mansuetto, Morningstar's entrepreneurial then CEO, founder, and largest shareholder, was a speaker at the 2005 Baron Investment Conference. This was soon after Morningstar's initial public offering… and, since turnabout is fair play, current CEO Kunal Kapoor invited me to speak at Morningstar's Investment Conference this year!

Among the speakers at the 2025 Morningstar Conference in Chicago were senior executives of Blackrock, Vanguard, Apollo, Morningstar and Dodge & Cox… and me. The serious fundamental elements of my talk were well received by the audience of consultants, advisors, and other investors in the room. Further, since my wife says that I think everything is a joke, I definitely got more laughs during my interview than other speakers. Adam ended his interview with me after I described how my grandparents emigrated to America more than 100 years ago penniless, not speaking English and leaving behind their families in Ukraine… in Poland near the WWII Auschwitz concentration camp… and from the Pale in Russia. One of my grandpas, my mom's dad, became a peddler of shoes from a pushcart on the Lower East Side of New York. My dad's father was a foreman of a candle factory in Brooklyn. They both emigrated to America to escape religious persecution. I then told the room that I am so thankful for their sacrifices and try to say a prayer for them every day.

Among the "thank you" emails I received from Morningstar executives was one I especially liked. *"That was such an amazing session with Ron. I've never teared up at a conference before. He got me at the end there. I wish we had more than half an hour. But that was fantastic."* Linda Baker. Associate Director of Manager Selection who focuses on small-cap growth.

"Make the Call."

General Stanley McChrystal. Joint Special Operations Command. (JSOC). Afghanistan. 2003-2008. 37th Annual Morningstar Investment Conference. June 26, 2025.

I thought perhaps the most interesting Morningstar interview that afternoon was of General Stanley McChrystal. General McChrystal had been chosen to lead the Joint Special Operations Command (JSOC) in Afghanistan. That counterterrorism command was charged with eliminating terrorists in that country. For any who heard the General speak and who might have amid chaos doubted the capabilities of our armed forces, listening to General McCrystal on Chicago's Navy Pier should have alleviated those concerns.

When McChrystal assumed JSOC control, he told the 2,000 Morningstar conference attendees, Al-Qaeda was "kicking our butts." McChrystal adapted JSOC's operations to precision target high value terrorists. Similar to the effective counterterrorism force he led in Iraq credited with killing Abu Musab al Zarqawi, Al-Qaeda's leader in that country.

Daily meetings with his several hundred soldier counterterrorism force and sharing intelligence through the Internet were initiated. McChrystal's idea was to push down decision making to officers in the field, not just make decisions "top down." Further, his objective was to eliminate terrorists AND to win the hearts and minds of Afghan citizens by protecting them.

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The General told his field command, "Your responsibilities are to make certain your counterterrorism force knows *how to eliminate* the enemy… *not whether or not they have accomplished their mission.*" It worked. In large part since the strategy was great. But really because his efforts were intelligence driven which enabled rapid decision making, and since JSOC was a meritocracy where diverse talent is critical for success.

Finally, the biggest lesson? The General told his wife Annie initially that he had agreed to a two-year tour of duty. He then informed her two more times that he needed one-year extensions to complete the task. Annie reluctantly accepted his decisions. When the General concluded he needed a fifth year to complete the task he chose to avoid asking for Annie's approval. NOT a good decision! Which became a terrible decision when Annie attended a cocktail party at the Pentagon and learned from a friend that her husband was doing great and going to remain in Afghanistan another year!

As I noted at the beginning of this paragraph, the big lesson? If you've got bad news for your wife, you better not hide it. MAKE THE CALL!!!!

"You can buy insurance on a building that's on fire if you are willing to pay enough."

Dinos Iordanou. Co-Founder. Arch Capital. 2001.

Goldman Sachs' bankers introduced us to Dinos Iordanou in 2001. Dinos had been a senior insurance company executive at Berkshire Hathaway and AIG… and was so successful he was able to co-found property and casualty (P&C) insurer **Arch Capital Group Ltd.** Baron had not previously invested in property and casualty insurers when we met Dinos in 2001. Dinos' "house on fire" analogy outlined his belief that property and casualty insurers could consistently price policies to earn an underwriting profit… if they were disciplined and priced based upon ultimate profitability of insurance policies… and chose not to increase insurance in force if rates understated costs. P&C insurance reprices annually, is well positioned to grow significantly faster than inflation and the U.S. economy, and *benefits* from inflation, entropy, and chaos. Accordingly, when we studied it, we considered P&C an attractive inflation hedge. Further, due to natural disasters caused by climate change, fires, floods and earthquakes, as well as instances of corporate misfeasance, malfeasance and runaway juries, insured property values and awards have generally increased significantly above the rate of inflation.

Baron has been investing in Arch Capital P&C, reinsurance and mortgage insurance businesses since 2002. That was soon after we met Dinos. When Dinos outlined industry fundamentals to us in 2001, he told us insurance reserves had fallen 30% from peak levels a few years prior depressing industry profits… and surprisingly premium rates had not yet increased! It seemed so obvious that if there were one more calamity, rates would increase a lot. After Dinos described Arch's niche businesses, diversified insurance portfolio and "secret sauce" cycle management, soon after 9/11 Baron began to invest in Arch. We were right. Since 2002, Arch policy premium rates and profitability have increased dramatically. Arch's share price has since multiplied 33.5 times, 16.3% annually. Arch is now Baron's 3rd largest holding and represents 3.9% of our AUM.

Also, at the suggestion of Dinos, we researched and then invested in **Kinsale Capital Group, Inc.**, another unique P&C insurer. Kinsale's strong growth profile and consistent underwriting profits are principally derived from small business owner clients. Those clients purchase insurance not to protect assets but because regulators require them to have such insurance. Kinsale clients are principally small family businesses like restaurants, motels, boardwalk amusement rides and trucks. Terms and conditions for Kinsale policies are as a result very favorable for Kinsale. Since we purchased Kinsale shares in 2016, its share price has increased 27.2 times, 44.8% annually… and this is just an insurance company! Kinsale is now Baron's 11th largest holding. Kinsale represents 1.8% of Baron's AUM.

Finally, Dinos recommended we study unique insurance company contributory database **Verisk Analytics, Inc.** Verisk's business began as a not-for-profit mutual insurance co-op before becoming a for-profit business initially owned by its clients. As a result of this structure, Verisk has no direct competitors. Verisk data and analytics are critical to all insurance businesses' operations. Verisk continues to increase services for its clients, enabling it to regularly increase its fees. Verisk fees represent a very small percentage of insurance company revenues. Verisk has increased in value 11.9 times since 2009, an annualized return of 17.1%. Verisk represents 0.8% of our Firm's assets. It is our 23rd largest holding.

Baron Capital invests for the long term on behalf of our clients… our co-workers… and ourselves… in growth companies we believe are exceptionally well managed and competitively advantaged. These investments are made principally through commingled Baron Funds. Baron investments in unique growing businesses are based upon our Firm's 44 research analysts' expectations about *what those businesses will become*… not only what they are at present. "Seeing around corners" … "seeing what is not yet there"… and "being right" is how we represent our process to clients and co-workers. This is as we have done since the founding of our Firm on March 15, 1982, in order to fulfill our **Mission** of "Changing Lives"… of our clients and co-workers. Which is conceptually similar to the process of the 117-year-old, unusually successful, Scottish based investment advisor Baillie Gifford. Baillie's investments are also based on their research analysts' assessments of "businesses' outlooks for decades not quarters."

Accordingly, "macro" current news cycle developments such as politics… Federal Reserve interest rate decisions… tariffs… near-term economic trends… sex scandals… wars… commodity prices… and public company next quarter earnings are not important factors in either Baillie's process or ours. That is since "macro" trends which are so interesting to follow are, we believe, unpredictable. And, even if we could predict "macro" outcomes… we, like everyone else… could not know if they were already reflected in stock prices.

Accordingly, *the only "macro" about which we are certain is inflation*. That is since elected government officials… both Republicans and Democrats… are addicted to spending more than they collect in annual tax revenues. This to please the individuals who vote them in or out of office every two or four or six years. As a consequence, we believe the price of virtually everything we purchase will about double every 14-15 years. Which means that 4% to 5% annual inflation will continue to be the case in the United States… just as it has been for my entire 82-year lifetime.

So, to preserve and enhance the buying power of savings… and to participate in America's economic expansion… Baron invests in growth businesses… The United States economy and stock market approximately double in size about every 10 or 12 years. Baron invests in businesses we believe have the potential to grow faster and double in size about every 5 to 7 years. That's the **Baron Algorithm**.

"If you don't contribute to politicians, how do you get anything done?"

President-Elect Donald J. Trump.
Lunch conversation with Ron Baron.
Trump International Golf Club.
West Palm Beach. November 10, 2016.

Soon after his electoral victory in 2016, President-elect Trump invited me to sit with him for lunch in a crowded dining room at his West Palm Beach golf club. He then asked me, "Did you ever think this could happen?" I answered that I was surprised. I then commented that I hoped, and I was certain that almost all-American citizens, whether red or blue, also hoped, his term would be a very successful one.

The President-elect then asked whether I had supported either candidate financially. I answered that I don't contribute to political campaigns since I don't want my business to ever be accused of "pay to play." "Then how do you ever get anything done?" "I don't regard it as my job to 'get anything done'" was my answer to the President-elect, for whom I had managed money for several years. "I just try to follow the rules, guidelines and laws that exist… and treat people with whom we do business fairly."

When Baron was informed soon afterwards that we needed to resign management of the Trump investment account in 2016 to avoid potential conflicts, we had invested about 10% of that account in Tesla. I then spoke to his business' CFO. I told that individual that while I thought the next President's entire portfolio would do really well as it was structured, if it were possible to continue to hold one stock, that would be Tesla. I said I thought Tesla's share price could increase more than 20-fold over the next several years. Tesla shares have actually increased in value about 25 times during the past nine years!

"Baron's young analysts are brilliant, Ron. But when you are in a meeting, you are the one asking hundreds of questions."

Lee Shevel. CEO. Verisk.
That was Lee's response when I asked him recently whether other analysts asked the sort of questions about the competitive advantages and growth opportunities for Verisk's contributory insurance company database that we do.
Telephone conversation with Lee and Ron. July 2025.

In a June forum meeting in Baron's New York City office with our firm's 44 analysts and 50 plus client facing marketing and distribution executives, I reported Lee's remark to the group. I then told our analysts, portfolio managers and executives that they need to consider meetings with senior executives of companies in which we have invested or are considering investing, as well as meetings with clients, as if we were in a "college, law school, medical school or business school class."

The primary purposes we meet with business executives are to learn more about the character of those executives, their values and talent and to assess their leadership skills… as well as to learn what makes their businesses strategically distinct from potential competitors over the long term. What are their strengths and vulnerabilities? And long-term growth prospects? To imagine what has not yet taken place. And to be right. These meetings are not to discern what businesses' earnings or prospects are in the next quarter.

During those visits, I told our team, "You should not stop typing notes on your iPads.

You should not stop asking questions. There are no dumb questions. And when the meetings end, you need to edit your notes and post in our FactSet research notebooks… after analyzing with AI tools."

In addition to Baron visiting businesses regularly in their offices and factories and data centers, senior executives of businesses in which we have invested visit us or at least speak with us every quarter. Notice I say "at least." This after their quarterly update calls with Wall Street analysts following publication of quarterly results. I commented to Baron employees that I find the public post earnings calls with analysts and managers dreadfully boring. Mostly about the next quarter, not about long-term strategies and opportunities. What is interesting to us? How do they do things? How do things work? What do they deem important? Why?

Similarly, meetings with clients and potential clients are for the purpose of us learning about THEIR businesses. Not just telling them about ours. This is so we can determine how we can help them provide even better performance and enhance returns for THEIR clients. I want Baron to be embedded in the workflow and processes of our clients. Helps our clients. Helps our business. Meets our firm's MISSION of "Changing Lives"… of both our clients and our Firm's fellow employees.

How have we performed? And, how do we structure portfolios to achieve strong returns and limit risk?

Baron Focused Growth Fund is invested in a portfolio of stocks whose businesses' prospects are not highly correlated with other portfolio investments. For the 12 months ended March 31, 2025, the average intra-stock correlation of the Fund's holdings was 0.182. This was slightly better than the average intra-stock correlation of the Russell 2500 Growth Index of 0.184.

"This is remarkable" according to Claudia Pagazani, our firm's Director of Portfolio and Risk Analytics in a July 2025 letter to Adam Sabban, Senior Analyst, Morningstar. That is since "the Fund consists of 30 stocks while the Russell 2500 Growth Index consists of 1,258 stocks which implies an unexpected diversification advantage for the Fund!"

Adam is Morningstar's senior analyst who reviews Baron Partners Fund, Baron Growth Fund, and Baron Focused Growth Fund. Adam and I frequently do not agree on the rating he attributes to those Funds. We believe as the **NUMBER ONE** or **NUMBER TWO** top-performing funds in their categories since their respective inceptions (or conversion dates, where applicable)… with the longest tenured portfolio managers… and lower beta, i.e. risk, than the Index… Baron should receive the highest possible ratings.

Morningstar opines that since Baron's annual 1% management fee is above the category average of 0.8%, our Funds' ratings should be penalized. This despite the long-term annualized performance of all three Funds being hundreds of basis points, i.e. 400-500 basis points annualized higher than their primary benchmarks, with significantly lower risk, in our view. So, we will continue to argue that we deserve the highest possible ratings, not one that suggests "average."

Morningstar has also, in our opinion, not given credit deserved to David Baron and Michael Baron as it relates to the performance of these Funds. David and Michael have extensive experience with me as co-managers and contributors to Baron's 44-person analyst team and both have 20-plus years of experience as analysts who have worked closely with me, their dad, since they joined Baron. David and Michael also have senior roles as leaders of Baron, exceptional educations and a "first in office every day and last to leave" mentality. I'm incredibly proud of their contributions.

$7.3 billion Baron Partners Fund is the **Number One** performing U.S. **equity mutual fund** of **1,972** share classes since its conversion to a mutual fund from a partnership in 2003*; $2.6 billion **Baron Focused Growth Fund** is the **Number One performing mid cap growth fund** in the U.S. since its conversion to a mutual fund from a partnership in 2008; and $5.8 billion **Baron Growth Fund** is the **Number Two small cap growth fund** since its inception in 1994!

One more thing. In our correspondence and interviews with Morningstar, regarding Baron Focused Growth Fund as well as the other two funds mentioned, we point out that the Fund is invested in "buckets" of stocks. To us this means in business categories that are not highly correlated with each other. That is the intent of our portfolio construction. We assume "less risk" with the majority of our portfolio investments provided they can still achieve double digits annual growth. This allows us to take greater risk with 25% to 30% of our portfolio where we expect to earn the greatest long-term returns.

In addition, to further reduce perceived risk, generally 15% to 20% of Baron's portfolio investments are penalizing their current earnings investing to become much larger in the future. They are not stair stepping increased value in the short term. Further, 35% to 40% or more of AUM is often invested in capital light or irreplaceable assets businesses purchased at multiples of book value. Those last investments, often financial businesses, if we are right in our analysis, will be valued more highly as a multiple of earnings per share or ebitda over the long term… if they demonstrate the consistent growth and high returns we expect.

"Our mission is to accelerate the world's transition to sustainable energy."

Tesla Impact Report. Extended Version. '24. July 2025.

It's big. 194 pages. Lots of pictures. Read it. Not that many paragraphs. So looks intimidating. But not hard to get through it. When you do, you will be proud that you have an investment in this business and are supportive of its extraordinary founder. I promise. Oh yeah. When **SpaceX** issues its annual **'24 Impact Report**, don't miss reading that either. I bet you'll feel the same way. (I only bet on what I regard as "sure things."… and limit my bets to one dollar ($1) on anything!)

See you on Friday, November 14, 2025 at the 32nd Annual Baron Investment Conference. Lincoln Center. New York City. As usual, expect to learn a lot about your investments… and, another promise, I guarantee you'll be entertained.

Respectfully,

Ron Baron
CEO
August 4, 2025

P.S. Baron Capital was founded March 15, 1982. At that time we had $10 million under management. In 1992, Firm AUM was $100 million. Firm AUM currently approximates $45 billion. Since 1992, Baron has earned realized and unrealized profits of more than $50 billion! It is unusual for mutual funds or any other investors for that matter to consistently outperform benchmark indexes over the long term. Since their respective inceptions, 17 of 19 Baron mutual funds, representing 96.5% of Baron Funds' AUM, have outperformed their primary benchmarks and 13 Funds, representing 93.9% of Baron Funds' AUM, rank in the top 10% of their respective Morningstar categories. Eight Funds, representing 60.2%% of Baron Funds' AUM, rank in the top 5% of their categories. And, as mentioned above, Baron Partners Fund is the **Number One** performing U.S. equity mutual fund of 1,972 share classes since its conversion to a mutual fund from a partnership in 2003.

* **This is a hypothetical ranking created by Baron Capital using Morningstar extended performance data and is as of 6/30/2025. As of 6/30/2025, Baron Partners Fund remains the number one performing U.S. equity mutual since its conversion. There were 1,972 share classes in these nine Morningstar Categories for the period from 4/30/2003 to 6/30/2025. 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.

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: Baron Focused Growth Fund and **Baron Partners Funds** are non-diversified which means, in addition to increased volatility of the Funds' returns, they will likely have a greater percentage of their 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 **Baron Partners Fund**'s long positions are invested in Tesla stock. Therefore, the Funds are exposed to the risk that were Tesla stock to lose significant value, which could happen rapidly, the Funds' performance would be adversely affected. 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. 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.

Portfolio holdings as a percentage of net assets as of June 30, 2025 for securities mentioned are as follows: **The Charles Schwab Corporation** - Baron Partners Fund (5.0%*); **Space Exploration Technologies Corporation** - Baron Focused Growth Fund (9.4%), Baron Partners Fund (17.2%*); **Morningstar, Inc.** - Baron Growth Fund (4.9%); **Tesla, Inc.** - Baron Focused Growth Fund (7.6%), Baron Partners Fund (30.5%*); **Arch Capital Group Ltd.** - Baron Focused Growth Fund (3.2%), Baron Growth Fund (13.1%), Baron Partners Fund (7.1%*); **Kinsale Capital Group, Inc.** - Baron Growth Fund (7.6%); **Verisk Analytics, Inc.** - Baron Focused Growth Fund (2.6%).

* % of Long Positions.

Baron Funds (Institutional Shares) and Benchmark Performance 6/30/2025

Fund/Benchmark	Inception Date	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	29.84	15.43	9.27	11.55	12.89	1.05 (6)	$1.82 billion
Russell 2000 Growth Index		9.73	12.38	7.42	7.14	8.02		
Baron Growth Fund®	12/31/1994	4.75	8.70	7.88	9.51	12.26	1.08 (6)(7)	$5.85 billion
Russell 2000 Growth Index		9.73	12.38	7.42	7.14	7.76		
Baron Small Cap Fund®	9/30/1997	8.99	13.36	9.38	10.07	10.12	1.05 (6)	$3.98 billion
Russell 2000 Growth Index		9.73	12.38	7.42	7.14	6.30		
Small/Mid Cap								
Baron Focused Growth Fund®[1]	5/31/1996	32.86	18.89	22.91	17.98	13.78	1.05 (8)	$2.56 billion
Russell 2500 Growth Index		8.81	12.05	7.50	8.53	8.06		
Mid Cap								
Baron Asset Fund®	6/12/1987	13.42	14.37	7.56	10.64	11.33	1.04 (6)	$4.11 billion
Russell Midcap Growth Index[2]		26.49	21.46	12.65	12.13	10.63		
Large Cap								
Baron Durable Advantage Fund®	12/29/2017	17.21	25.52	18.29		16.34	0.77/0.70 (6)(9)	$510.56 million
S&P 500 Index		15.16	19.71	16.64		13.76		
Baron Fifth Avenue Growth Fund®	4/30/2004	25.15	28.45	9.33	13.67	10.57	0.76/0.75 (6)(10)	$737.41 million
Russell 1000 Growth Index		17.22	25.76	18.15	17.01	12.48		
All Cap								
Baron Opportunity Fund®†	2/29/2000	26.37	28.61	16.28	18.33	10.39	1.05 (6)	$1.65 billion
Russell 3000 Growth Index		16.89	25.07	17.55	16.38	7.77		
Baron Partners Fund®[3,4]	1/31/1992	34.14	15.93	23.05	19.72	15.16	1.99 (8)(11)	$7.32 billion
Russell Midcap Growth Index		26.49	21.46	12.65	12.13	10.41		
Non-U.S./Global								
Baron Emerging Markets Fund®	12/31/2010	20.11	10.18	5.65	4.63	4.63	1.11 (8)	$4.01 billion
MSCI Emerging Markets Index		15.29	9.70	6.81	4.81	2.90		
MSCI Emerging Markets IMI Growth Index		16.39	9.63	5.52	5.40	3.75		
Baron Global Advantage Fund®†	4/30/2012	31.23	17.82	2.73	11.59	12.15	0.96/0.91 (8)(12)	$623.42 million
MSCI ACWI Index		16.17	17.35	13.65	9.99	10.16		
MSCI ACWI Growth Index		16.71	21.44	13.87	12.34	12.13		
Baron India Fund®	7/30/2021	5.90	7.29			(0.50)	6.86/1.20 (8)(13)	$18.10 million
MSCI AC Asia ex Japan/India Linked Index		(2.28)	2.93			(3.10)		
MSCI AC Asia ex Japan Index		16.81	9.24			1.41		
MSCI India Index		0.85	15.65			10.14		
MSCI Emerging Markets Index		15.29	9.70			1.44		
Baron International Growth Fund®	12/31/2008	19.72	10.34	6.52	6.80	9.45	1.04/0.96 (8)(14)	$351.68 million
MSCI ACWI ex USA Index		17.72	13.99	10.13	6.12	7.53		
MSCI ACWI ex USA IMI Growth Index		14.67	12.42	7.27	6.35	8.06		
Sector								
Baron FinTech Fund®	12/31/2019	27.74	20.36	10.63		12.53	1.13/0.95 (8)(15)	$74.78 million
FactSet Global FinTech Index		23.24	13.49	4.98		4.55		
Baron Health Care Fund®	4/30/2018	(11.48)	0.83	4.68		8.84	0.87/0.85 (8)(16)	$141.44 million
Russell 3000 Health Care Index		(6.13)	3.30	6.25		8.25		
Baron Real Estate Fund®	12/31/2009	10.58	11.15	10.89	9.19	12.96	1.05 (8)	$2.13 billion
MSCI USA IMI Extended Real Estate Index		13.30	13.79	12.26	9.00	11.00		
Baron Real Estate Income Fund®†	12/29/2017	15.94	7.04	9.32		8.71	0.90/0.80 (8)(17)	$239.79 million
MSCI US REIT Index		7.62	4.09	7.38		4.13		
Baron Technology Fund®	12/31/2021	34.35	34.38			12.33	1.35/0.95 (8)(18)	$100.61 million
MSCI ACWI Information Technology Index		14.86	28.53			12.12		
Equity Allocation								
Baron WealthBuilder Fund®	12/29/2017	18.29	14.97	12.00		12.91	1.21/1.18 (8)(19)	$546.60 million
S&P 500 Index		15.16	19.71	16.64		13.76		
Broad-Based Benchmarks[5]								
Russell 3000 Index		15.30	19.08	15.96	12.96			
S&P 500 Index		15.16	19.71	16.64	13.65			
MSCI ACWI Index		16.17	17.35	13.65	9.99			
MSCI ACWI ex USA Index		17.72	13.99	10.13	6.12			
MSCI Emerging Markets Index		15.29	9.70	6.81	4.81			

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, 52.1% of the Fund's long holdings were invested in SMID, Mid and Mid/Large-Cap securities (as defined by Russell, Inc.) as of 6/30/2025 (SMID represents 12.2% of the portfolio and has market capitalizations between \$5.2 – \$15.8 billion; Mid represents 31.9% and has market capitalizations between \$15.8 – \$54.4 billion; Mid /Large represents 8.0% and has market capitalizations between \$54.4 – \$194.8 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 1.03% and interest expense of 0.05%.

[8] As of 4/30/2025.

[9] Gross annual expense ratio was 0.77%, but the net annual expense ratio was 0.70% (net of Adviser's fee waivers).

[10] Gross annual expense ratio was 0.76%, but the net annual expense ratio was 0.75% (net of Adviser's fee waivers).

[11] Comprised of operating expenses of 1.05% and interest expense of 0.94%.

[12] Gross annual expense ratio was 0.96%, 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 6.86%, but the net annual expense ratio was 1.20% (net of Adviser's fee waivers and expense reimbursements).

[14] Gross annual expense ratio was 1.04%, but the net annual expense ratio was 0.96% (net of Adviser's fee waivers).

[15] Gross annual expense ratio was 1.13%, but the net annual expense ratio was 0.95% (net of Adviser's fee waivers).

[16] Gross annual expense ratio was 0.87%, but the net annual expense ratio was 0.85% (net of Adviser's fee waivers).

[17] Gross annual expense ratio was 0.90%, but the net annual expense ratio was 0.80% (net of Adviser's fee waivers).

[18] Gross annual expense ratio was 1.35%, but the net annual expense ratio was 0.95% (net of Adviser's fee waivers and expense reimbursements).

[19] Gross annual expense ratio was 1.21%, but the net annual expense ratio was 1.18% (includes acquired fund fees and expenses, net of the expense reimbursements).

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

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.

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

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 6/30/2025. 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 do account for management, administrative, and 12b-1 fees and other costs automatically deducted from fund assets.

The Morningstar Large Growth Category consisted of 1,084, 954, and 754 share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Partners Fund in the 4th, 1st, 1st, and 1st percentiles for the 1-, 5-, 10-year, and since conversion periods, respectively. The Fund converted into a mutual fund 4/30/2003, and the category consisted of 696 share classes.

The Morningstar Mid-Cap Growth Category consisted of 494, 446, and 367 share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Growth Fund in the 84th, 67th, 55th, and 4th percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 12/31/1994, and the category consisted of 148 share classes. On an absolute basis, Morningstar ranked Baron Growth Fund Institutional Share Class as the 430th, 282nd, 210th,

and 6th best performing share class in its Category, for the 1-, 5-, 10-year, and since inception periods, respectively. Morningstar ranked Baron Focused Growth Fund in the 7th, 3rd, 1st, and 1st percentiles for the 1-, 5-, 10-year, and since conversion periods, respectively. The Fund converted into a mutual fund 6/30/2008, and the category consisted of 385 share classes. On an absolute basis, Morningstar ranked Baron Focused Growth Fund Institutional Share Class as the 29th, 11th, 4th, and 1st best performing share class in its Category, for the 1-, 5-, 10-year, and since conversion periods, respectively.

The **Morningstar Large Growth Category** consisted of 1084, 954, and 754, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Opportunity Fund in the 9th, 32nd, 4th, 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 562 share classes. The **Morningstar Mid-Cap Growth Category** consisted of 494, 446, and 367, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Asset Fund in the 47th, 70th, 33rd, and 10th percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 6/12/1987, and the category consisted of 56 share classes. The **Morningstar Small Growth Category** consisted of 544, 512, and 400, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Small Cap Fund in the 37th, 36th, 16th, and 8th percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 9/30/1997, and the category consisted of 224 share classes. Morningstar ranked Baron Discovery Fund in the 2nd, 37th, 7th, and 4th percentiles for the 1-, 5-, 10-year and since inception periods, respectively. The Fund launched 9/30/2013, and the category consisted of 479 share classes. The **Morningstar Real Estate Category** consisted of 217, 193, and 149, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Real Estate Fund in the 23rd, 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-year, and since inception periods, respectively. The Fund launched 12/29/2017, and the category consisted of 192 share classes. The **Morningstar Foreign Large Growth Category** consisted of 388, 333, 219, 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 23rd, 66th, 51st, and 24th percentiles, respectively. The **Morningstar Diversified Emerging Mkts Category** consisted of 769, 629, 453, 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 6th, 72nd, 52nd, and 8th percentiles, respectively. The **Morningstar Health Category** consisted of 176, 150, and 133 share classes for the 1-, 5-year, and since inception (12/31/2018) periods. Morningstar ranked Baron Health Care Fund in the 86th, 45th, and 8th percentiles, respectively. The **Morningstar Aggressive Allocation Category** consisted of 94, 90, and 92 share classes for the 1-, 5-year, and since inception (12/29/2017) periods. Morningstar ranked Baron WealthBuilder Fund in the 2nd, 40th, and 1st percentiles, respectively. The **Morningstar Global Large-Stock Growth Category** consisted of 338, 285, 193 and 207 share classes for the 1-, 5-, 10-year and since inception (12/29/2017) periods. Morningstar ranked Baron Global Advantage Fund in the 7th, 98th, 22nd and 21st percentiles, respectively. The **Morningstar Technology Category** consisted of 271, and 239 share classes for the 1-year, and since inception (12/31/2021) periods. Morningstar ranked Baron Technology Fund in the 9th, and 8th percentiles, respectively.

The **Russell 2500™ Growth Index** measures the performance of small to medium-sized U.S. companies that are classified as growth. All rights in the FTSE Russell Index (the "Index") vest in the relevant LSE Group company which owns the Index. Russell® is a trademark of the relevant LSE Group company and is used by any other LSE Group company under license. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. The index is unmanaged. Index performance is not Fund performance. Investors cannot invest directly in an index.

EBITDA, short for earnings before interest, taxes, depreciation, and amortization, is an alternate measure of profitability to net income. It's used to assess a company's profitability and financial performance.

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

Top 10 holdings
Baron Partners Fund

	Percent of Total Investments (%)
Tesla, Inc.	30.5
Space Exploration Technologies Corp.	17.2
CoStar Group, Inc.	7.1
Arch Capital Group Ltd.	7.1
Hyatt Hotels Corporation	5.8
The Charles Schwab Corporation	5.0
IDEXX Laboratories, Inc.	4.2
FactSet Research Systems Inc.	3.6
Gartner, Inc.	3.4
Vail Resorts, Inc.	3.0
Total	**86.9**

Top 10 holdings
Baron Growth Fund

	Percent of Net Assets (%)
Arch Capital Group Ltd.	13.1
MSCI Inc.	12.1
Gartner, Inc.	8.6
Kinsale Capital Group, Inc.	7.6
FactSet Research Systems Inc.	7.3
Choice Hotels International, Inc.	6.5
CoStar Group, Inc.	6.4
Primerica, Inc.	5.8
Vail Resorts, Inc.	5.4
Morningstar, Inc.	4.9
Total	**77.8**

Top 10 holdings
Baron Focused Growth Fund

	Percent of Net Assets (%)
Space Exploration Technologies Corp.	9.4
Spotify Technology S.A.	7.9
Tesla, Inc.	7.6
Guidewire Software, Inc.	5.1
IDEXX Laboratories, Inc.	5.0
On Holding AG	5.0
Interactive Brokers Group, Inc.	4.7
Hyatt Hotels Corporation	4.3
CoStar Group, Inc.	4.2
Red Rock Resorts, Inc.	4.1
Total	**57.2**

BARON CAPITAL'S TOP 20 HOLDINGS*

6/30/2025

Rank	Ticker	Security Name	Year of First Purchase[1]	Market Value ($M)	Ending Weight[2] (%)	Total Realized and Unrealized Gains ($M)	Cumulative Total Return[3] (%)	Total Return Multiple (x)	Annualized Total Return (%)
1	931JQH909	Space Exploration Technologies Corp.	2017	4,474	9.7	3,358	1,190.1	12.9	38.8
2	TSLA	Tesla, Inc.	2014	4,136	8.9	6,376	2,571.2	26.7	33.4
3	ACGL	Arch Capital Group Ltd.	2002	1,796	3.9	2,220	3,249.0	33.5	16.3
4	CSGP	CoStar Group, Inc.	2001	1,582	3.4	1,821	4,534.0	46.3	17.6
5	IT	Gartner, Inc.	2007	1,477	3.2	2,408	1,487.7	15.9	16.4
6	GWRE	Guidewire Software, Inc.	2012	1,316	2.8	1,163	917.5	10.2	19.3
7	MSCI	MSCI Inc.	2007	1,252	2.7	1,407	2,501.3	26.0	20.3
8	IDXX	IDEXX Laboratories, Inc.	2005	1,090	2.4	2,272	3,626.5	37.3	19.4
9	FDS	FactSet Research Systems Inc.	2006	998	2.2	1,312	969.3	10.7	13.5
10	MTN	Vail Resorts, Inc.	1997	860	1.9	941	880.6	9.8	8.4
11	KNSL	Kinsale Capital Group, Inc.	2016	854	1.8	879	2,617.6	27.2	44.8
12	H	Hyatt Hotels Corporation	2009	832	1.8	566	414.3	5.1	11.0
13	SPOT	Spotify Technology S.A.	2020	719	1.6	328	531.9	6.3	42.1
14	XIACOM.R	X.AI Holdings Corp.	2022	672	1.5	337	100.7[4]	2.0	29.7
15	SCHW	The Charles Schwab Corporation	1992	643	1.4	1,634	14,755.9	148.6	16.6
16	RRR	Red Rock Resorts, Inc.	2016	638	1.4	325	263.1	3.6	15.1
17	CHH	Choice Hotels International, Inc.	1996	633	1.4	801	3,545.7	36.5	13.4
18	TSM	Taiwan Semiconductor Manufacturing Company Limited	2013	537	1.2	616	1,543.3	16.4	26.2
19	NVDA	NVIDIA Corporation	2018	456	1.0	634	2,286.6	23.9	59.9
20	PRI	Primerica, Inc.	2010	435	0.9	635	1,548.6	16.5	20.2

* 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 6/30/2025. 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 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. 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 a 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. Portfolio holdings are subject to change. Current and future portfolio holdings are subject to risk.

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

Portfolio holdings as a percentage of net assets as of June 30, 2025 for securities mentioned are as follows: Space Exploration Technologies Corporation - Baron Asset Fund (5.1%), Baron Fifth Avenue Growth Fund (1.3%), Baron Focused Growth Fund (9.4%), Baron Global Advantage Fund (9.7%), Baron Opportunity Fund (4.2%), Baron Partners Fund (17.2%*); **Tesla, Inc.** - Baron Fifth Avenue Growth Fund (3.2%), Baron Focused Growth Fund (7.6%), Baron Global Advantage Fund (1.4%), Baron Opportunity Fund (4.6%), Baron Partners Fund (30.5%*), Baron Technology Fund (2.9%); **Arch Capital Group Ltd.** - Baron Asset Fund (4.2%), Baron Durable Advantage Fund (1.6%), Baron FinTech Fund (1.9%), Baron Focused Growth Fund (3.2%), Baron Growth Fund (13.1%), Baron International Growth Fund (2.0%), Baron Partners Fund (7.1%*); **CoStar Group, Inc.** - Baron Asset Fund (4.2%), Baron Durable Advantage Fund (2.0%), Baron FinTech Fund (1.0%), Baron Focused Growth Fund (4.2%), Baron Growth Fund (6.4%), Baron Opportunity Fund (2.3%), Baron Partners Fund (7.1%*), Baron Real Estate Fund (3.8%), Baron Technology Fund (1.2%); **Gartner, Inc**. - Baron Asset Fund (7.2%), Baron Growth Fund (8.6%), Baron Opportunity Fund (1.6%), Baron Partners Fund (3.4%*), Baron Small Cap Fund (4.3%), Baron Technology Fund (0.8%); **Guidewire Software, Inc.** - Baron Asset Fund (6.5%), Baron Discovery Fund (3.0%), Baron FinTech Fund (4.2%), Baron Focused Growth Fund (5.1%), Baron Growth Fund (3.4%), Baron Opportunity Fund (1.4%), Baron Partners Fund (2.6%*), Baron Small Cap Fund (5.2%), Baron Technology Fund (0.8%); **MSCI Inc.** - Baron Asset Fund (0.7%), Baron Durable Advantage Fund (1.8%), Baron FinTech Fund (2.5%), Baron Focused Growth Fund (4.1%), Baron Growth Fund (12.1%), Baron Partners Fund (2.2%*); **IDEXX Laboratories, Inc.** - Baron Asset Fund (6.4%), Baron Focused Growth Fund (5.0%), Baron Growth Fund (3.2%), Baron Health Care Fund (2.3%), Baron Partners Fund (4.2%*); **FactSet Research Systems Inc.** - Baron Asset Fund (2.1%), Baron FinTech Fund (1.8%), Baron Focused Growth Fund (2.2%), Baron Growth Fund (7.3%), Baron Partners Fund (3.6%*); **Vail Resorts, Inc.** - Baron Asset Fund (1.6%), Baron Focused Growth Fund (3.9%), Baron Growth Fund (5.4%), Baron Partners Fund (3.0%*), Baron Real Estate Income Fund (1.5%); **Kinsale Capital Group, Inc.** - Baron Discovery Fund (2.0%), Baron FinTech Fund (1.0%), Baron Growth Fund (7.6%), Baron Small Cap Fund (5.2%); **Hyatt Hotels Corporation** - Baron Asset Fund (1.7%), Baron Focused Growth Fund (4.3%), Baron Partners Fund (5.8%*), Baron Real Estate Fund (2.9%); **Spotify Technology S.A**. - Baron Asset Fund (1.9%), Baron Focused Growth Fund (7.9%), Baron Opportunity Fund (5.4%), Baron Partners Fund (2.2%*), Baron Technology Fund (5.7%); **X.AI Holdings Corp.** - Baron Asset Fund (3.0%), Baron Fifth Avenue Growth Fund (0.8%), Baron Focused Growth Fund (2.4%), Baron Opportunity Fund (1.3%), Baron Partners Fund (0.8%*); **The Charles Schwab Corporation** - Baron Asset Fund (2.6%), Baron FinTech Fund (2.3%), Baron Partners Fund (5.0%*); **Red Rock Resorts, Inc.** - Baron Discovery Fund (0.9%), Baron Focused Growth Fund (4.1%), Baron Growth Fund (2.1%), Baron Partners Fund (1.3%*), Baron Real Estate Fund (1.3%), Baron Small Cap Fund (4.0%); **Choice Hotels International, Inc.** - Baron Asset Fund (1.5%), Baron Focused Growth Fund (3.1%), Baron Growth Fund (6.5%); **Taiwan Semiconductor Manufacturing Company Limited** - Baron Durable Advantage Fund (5.1%), Baron Emerging Markets Fund (9.3%), Baron Fifth Avenue Growth Fund (3.9%), Baron Global Advantage Fund (2.5%), Baron International Growth Fund (3.4%), Baron Opportunity Fund (1.7%), Baron Technology Fund (4.8%); **NVIDIA Corporation** - Baron Durable Advantage Fund (7.1%), Baron Fifth Avenue Growth Fund (11.1%), Baron Global Advantage Fund (9.0%), Baron Opportunity Fund (11.9%), Baron Technology Fund (12.1%); **Primerica, Inc.** - Baron FinTech Fund (1.0%), Baron Growth Fund (5.8%).

* % of Long Positions.

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INFLATION ACCORDING TO RON BARON

Did you know that the price of most goods and services doubles every 14 years?

Inflation, a general increase in prices over time, has a significant impact on the purchasing power of our money. One effective way to outpace inflation and preserve or even grow our wealth is by investing in assets that have the potential to generate returns higher than the rate of inflation.

As of 12/31/2024	Year	Cost	December 2024	Multiple	CAGR
Ron's Home 1948-1955 1122 Grassmere Avenue, Wanamassa, NJ (Asbury Park, NJ "suburb")	1948	$5,000	$568,700[1]	113.7x	6.4%
Ron's Home 1955-1975 542 Deal Parkway, West Allenhurst, NJ (Asbury Park, NJ "suburb")	1955	$20,000	$1,209,000[1]	60.5x	6.1%
Minimum Wage (New York)	1957	$1 hour	$15[2] hour	15.0x	4.1%
Golf Caddy Fees	1957	$4 18 holes	$160 18 holes	40.0x	5.7%
Gallon of Gasoline	1960	$0.31 gallon	$3.01[3] gallon	9.7x	3.6%
Ron's Annual Tuition at Bucknell University	1965	$3,500	$67,446[4]	19.3x	5.1%
Ron's U.S. Patent Examiner Annual Salary	1966	$7,729	$138,728[5]	17.9x	5.1%
Ford Mustang (starting price)	1966	$2,500	$31,920[6]	12.8x	4.5%
Sirloin Steak	1966	$0.67 pound	$11.67[7] pound	17.4x	5.0%
NYC Top Law Firm – First Year Associate Annual Salary	1970	$15,000	$225,000[8]	15.0x	5.1%
Gold	1974	$188[9] ounce	$2,639[10] ounce	14.0x	5.4%
Dow Jones Industrial Average	1982	795	$42,544[10]	53.5x*	9.7%*
S&P 500 Index	1982	107	$5,881[10]	54.8x*	9.8%*
Gross Domestic Product (GDP)**	1968	$968 billion	$29,375[11] billion	30.3x	6.3%

* Returns for indexes listed do not include dividends which add an estimated 1.5% to 2.0% annually to such returns.

** Gross Domestic Product (GDP) data as of September 30, 2024.

Sources:

1 - www.zillow.com

2 - https://dol.ny.gov/minimum-wage-0

3 - fred.stlouisfed.org/series/GASREGW

4 - www.bucknell.edu/admissions-aid/tuition-fees-financial-aid/information-about-tuition-fees

5 - www.federalpay.org/employees/occupations/patent-examining

6 - www.ford.com/cars/mustang/

7 - fred.stlouisfed.org/series/APU0000703613

8 - https://www.reuters.com/legal/legalindustry/cravath-announces-raises-upping-pay-ante-large-law-firms-2023-11-28/

9 - https://www.macrotrends.net/1333/historical-gold-prices-100-year-chart

10 - FactSet

11 - https://fred.stlouisfed.org/series/GDP

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

The Dow Jones Industrial Average is a price-weighted measure of 30 U.S. blue-chip companies. It covers all industries with the exception of Transportation and Utilities. The **S&P 500 Index** measures the performance of 500 widely held large-cap U.S. companies. The indexes include reinvestment of dividends which positively impact the performance results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly in an index.

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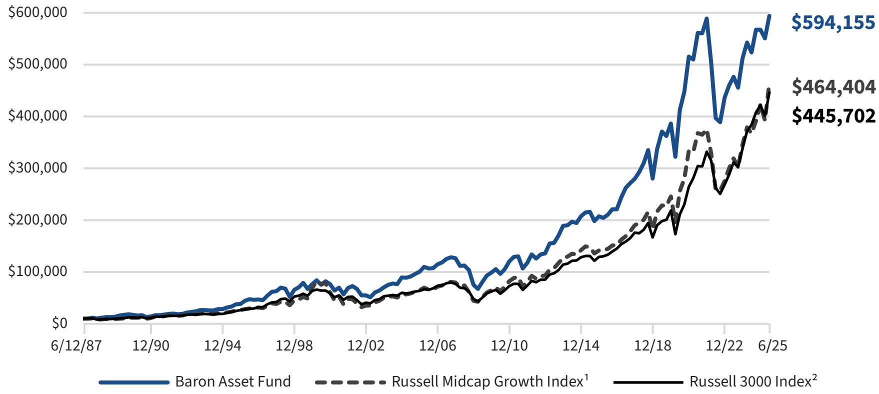
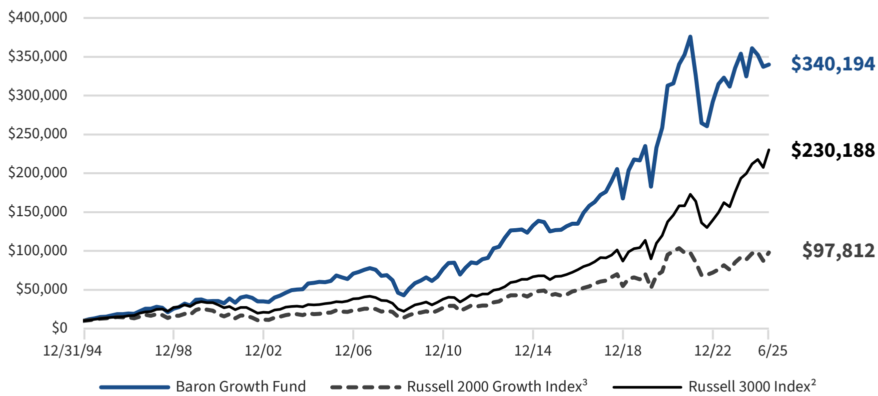
Growth of $10,000 Investment (Institutional Shares)^

Baron Asset Fund® *(Inception Date:* 6/12/1987*)*



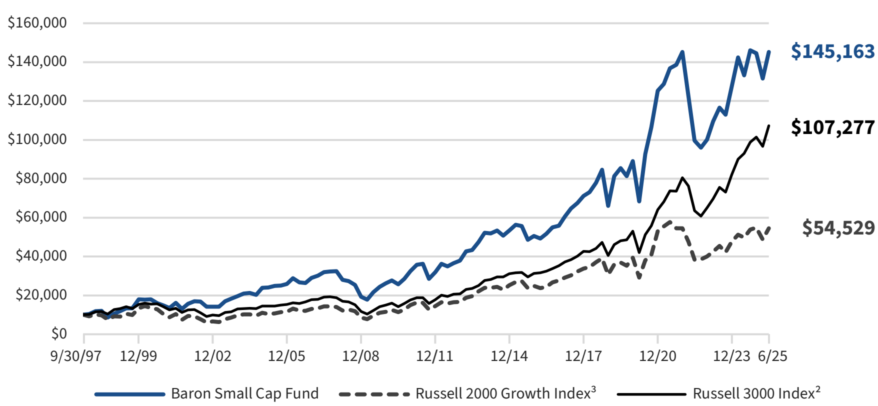
	Annualized Returns (%)		
	BARIX	Russell Midcap Growth Index[1]	Russell 3000 Index[2]
3 Months*	7.85	18.20	10.99
1 Year	13.42	26.49	15.30
3 Years	14.37	21.46	19.08
5 Years	7.56	12.65	15.96
10 Years	10.64	12.13	12.96
Since Inception	11.33	10.63†	10.49
Net Assets	$4.11B		

Baron Growth Fund® *(Inception Date:* 12/31/1994*)*



	Annualized Returns (%)		
	BGRIX	Russell 2000 Growth Index[3]	Russell 3000 Index[2]
3 Months*	0.86	11.97	10.99
1 Year	4.75	9.73	15.30
3 Years	8.70	12.38	19.08
5 Years	7.88	7.42	15.96
10 Years	9.51	7.14	12.96
Since Inception	12.26	7.76	10.83
Net Assets	$5.85B		

Baron Small Cap Fund® *(Inception Date:* 9/30/1997*)*



	Annualized Returns (%)		
	BSFIX	Russell 2000 Growth Index[3]	Russell 3000 Index[2]
3 Months*	10.38	11.97	10.99
1 Year	8.99	9.73	15.30
3 Years	13.36	12.38	19.08
5 Years	9.38	7.42	15.96
10 Years	10.07	7.14	12.96
Since Inception	10.12	6.30	8.93
Net Assets	$3.98B		

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.

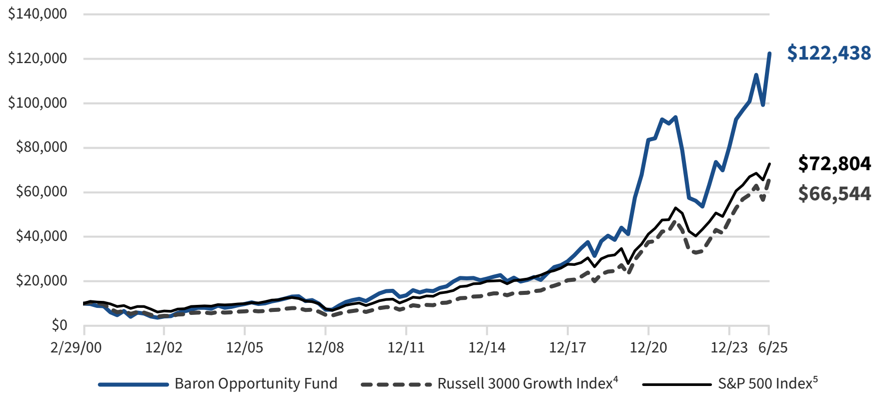
† For the period June 30, 1987 to June 30, 2025.

* Not annualized.

^ 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 20.

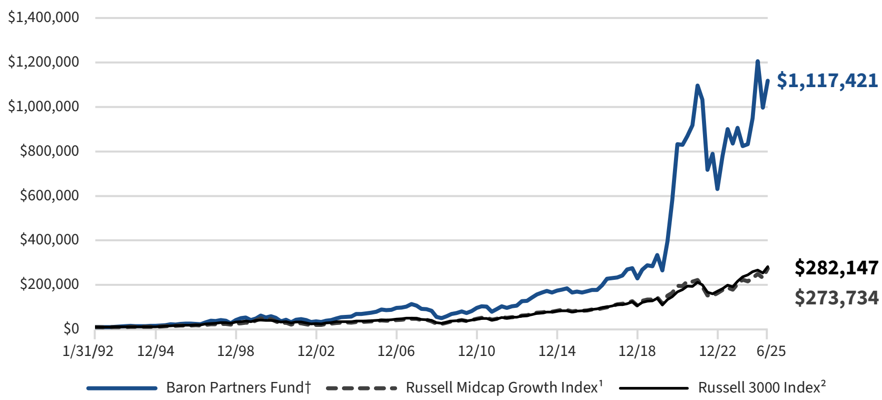
Growth of $10,000 Investment (Institutional Shares)^

Baron Opportunity Fund® *(Inception Date: 2/29/2000)*



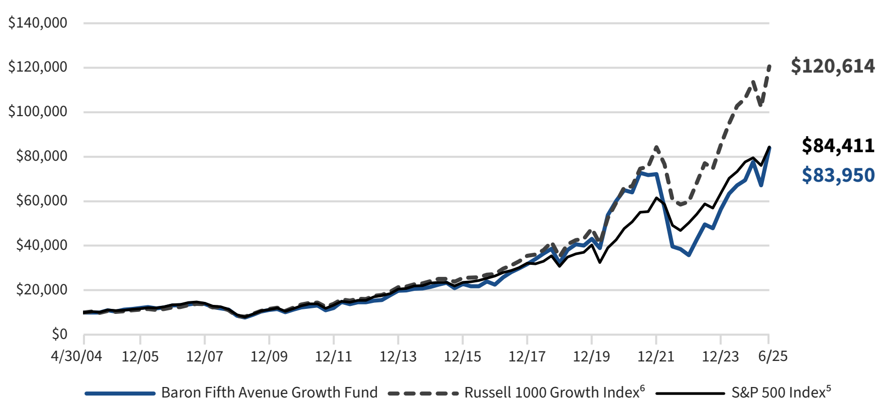
Annualized Returns (%)			
	BIOIX	Russell 3000 Growth Index[4]	S&P 500 Index[5]
3 Months*	23.27	17.55	10.94
1 Year	26.37	16.89	15.16
3 Years	28.61	25.07	19.71
5 Years	16.28	17.55	16.64
10 Years	18.33	16.38	13.65
Since Inception	10.39	7.77	8.15
Net Assets	$1.65B		

Baron Partners Fund® *(Inception Date: 1/31/1992)*



Annualized Returns (%)			
	BPTIX	Russell Midcap Growth Index[1]	Russell 3000 Index[2]
3 Months*	12.14	18.20	10.99
1 Year	34.14	26.49	15.30
3 Years	15.93	21.46	19.08
5 Years	23.05	12.65	15.96
10 Years	19.72	12.13	12.96
Since Inception	15.16	10.41	10.51
Net Assets	$7.32B		

Baron Fifth Avenue Growth Fund® *(Inception Date: 4/30/2004)*



Annualized Returns (%)			
	BFTIX	Russell 1000 Growth Index[6]	S&P 500 Index[5]
3 Months*	24.94	17.84	10.94
1 Year	25.15	17.22	15.16
3 Years	28.45	25.76	19.71
5 Years	9.33	18.15	16.64
10 Years	13.67	17.01	13.65
Since Inception	10.57	12.48	10.60
Net Assets	$737.41M		

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.

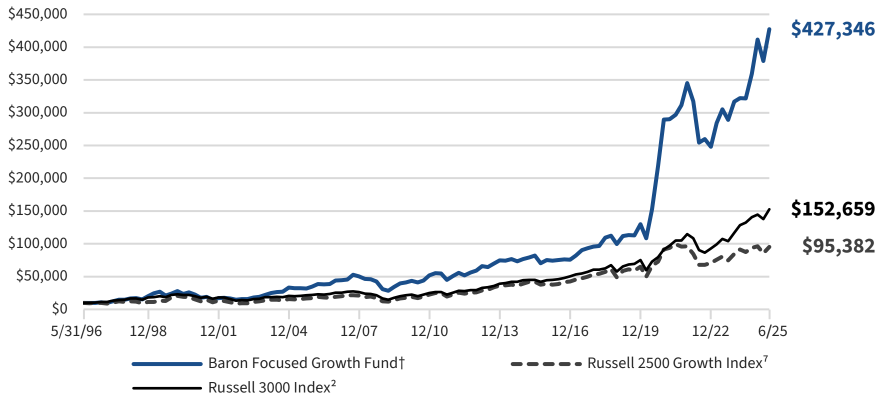
* Not annualized.

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

† Reflects the actual fees and expenses that were charged when the Fund was a partnership. The predecessor partnership charged a 20% performance fee after reaching a certain performance benchmark. If the annual returns for the Fund did not reflect the performance fees for the years the predecessor partnership charged a performance fee, returns would be higher. The Fund's shareholders will not be charged a performance fee. The predecessor partnership's performance is only for periods before the Fund's registration statement was effective, which was April 30, 2003. During those periods, the predecessor partnership was not registered under the Investment Company Act of 1940 and was not subject to its requirements or the requirements of the Internal Revenue Code relating to registered investment companies, which, if it were, might have adversely affected its performance. See index footnotes on page 20.

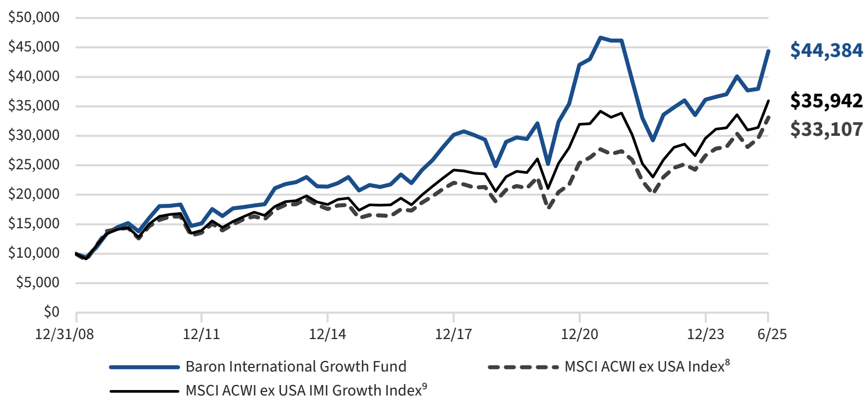
Growth of $10,000 Investment (Institutional Shares)^

Baron Focused Growth Fund® *(Inception Date: 5/31/1996)*



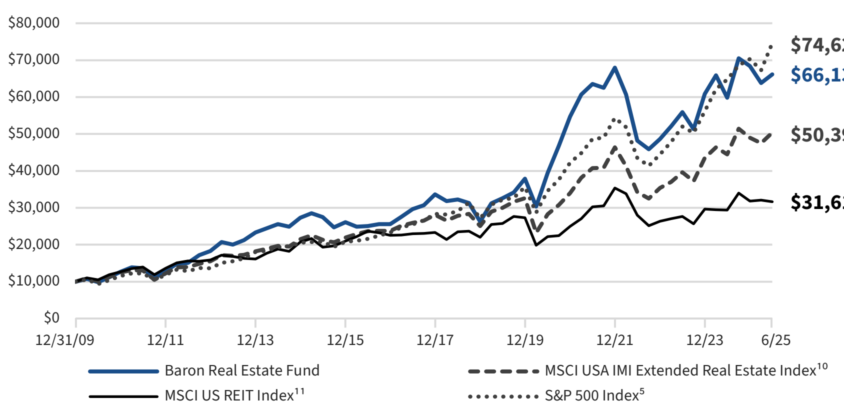
	Annualized Returns (%)		
	BFGIX	Russell 2500 Growth Index[7]	Russell 3000 Index[2]
3 Months*	12.78	11.31	10.99
1 Year	32.86	8.81	15.30
3 Years	18.89	12.05	19.08
5 Years	22.91	7.50	15.96
10 Years	17.98	8.53	12.96
Since Inception	13.78	8.06	9.82
Net Assets	$2.56B		

Baron International Growth Fund® *(Inception Date: 12/31/2008)*



	Annualized Returns (%)		
	BINIX	MSCI ACWI ex USA Index[8]	MSCI ACWI ex USA IMI Growth Index[9]
3 Months*	16.91	12.03	14.41
1 Year	19.72	17.72	14.67
3 Years	10.34	13.99	12.42
5 Years	6.52	10.13	7.27
10 Years	6.80	6.12	6.35
Since Inception	9.45	7.53	8.06
Net Assets	$351.68M		

Baron Real Estate Fund® *(Inception Date: 12/31/2009)*



	Annualized Returns (%)			
	BREIX	MSCI USA IMI Extended Real Estate Index[10]	MSCI US REIT Index[11]	S&P 500 Index[5]
3 Months*	3.61	6.13	(1.46)	10.94
1 Year	10.58	13.30	7.62	15.16
3 Years	11.15	13.79	4.09	19.71
5 Years	10.89	12.26	7.38	16.64
10 Years	9.19	9.00	5.03	13.65
Since Inception	12.96	11.00	7.71	13.85
Net Assets	$2.13B			

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.

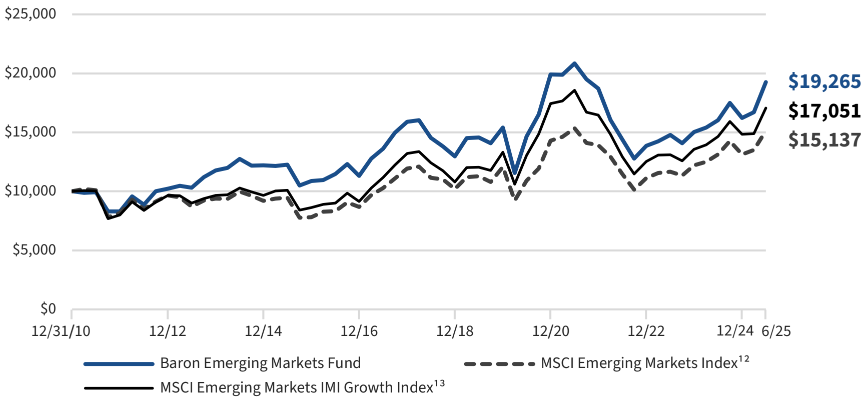
* Not annualized.

^ 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 20.

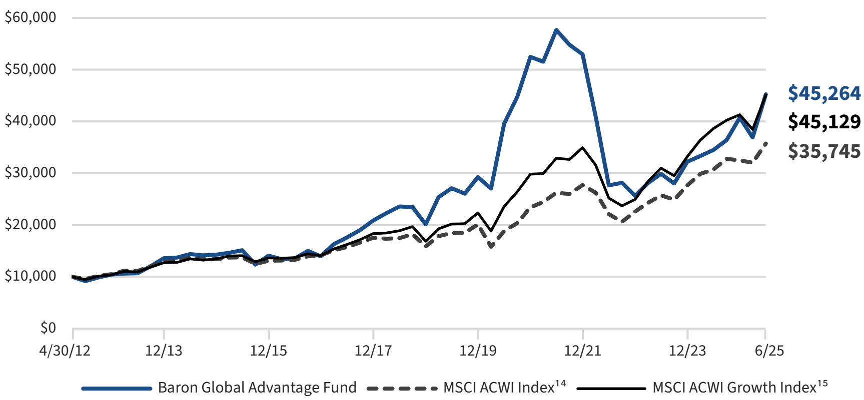
Growth of $10,000 Investment (Institutional Shares)

Baron Emerging Markets Fund® *(Inception Date:* 12/31/2010*)*



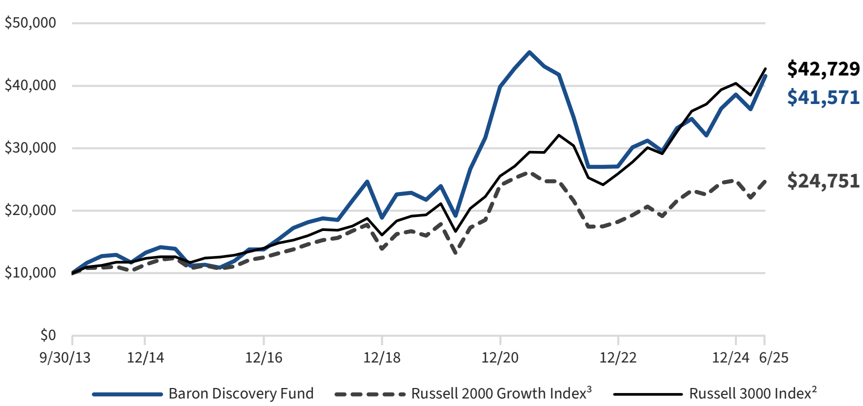
	Annualized Returns (%)		
	BEXIX	MSCI Emerging Markets Index[12]	MSCI Emerging Markets IMI Growth Index[13]
3 Months*	15.39	11.99	14.56
1 Year	20.11	15.29	16.39
3 Years	10.18	9.70	9.63
5 Years	5.65	6.81	5.52
10 Years	4.63	4.81	5.40
Since Inception	4.63	2.90	3.75
Net Assets	$4.01B		

Baron Global Advantage Fund® *(Inception Date:* 4/30/2012*)*



	Annualized Returns (%)		
	BGAIX	MSCI ACWI Index[14]	MSCI ACWI Growth Index[15]
3 Months*	22.68	11.53	17.26
1 Year	31.23	16.17	16.71
3 Years	17.82	17.35	21.44
5 Years	2.73	13.65	13.87
10 Years	11.59	9.99	12.34
Since Inception	12.15	10.16	12.13
Net Assets	$623.42M		

Baron Discovery Fund® *(Inception Date:* 9/30/2013*)*



	Annualized Returns (%)		
	BDFIX	Russell 2000 Growth Index[3]	Russell 3000 Index[2]
3 Months*	14.76	11.97	10.99
1 Year	29.84	9.73	15.30
3 Years	15.43	12.38	19.08
5 Years	9.27	7.42	15.96
10 Years	11.55	7.14	12.96
Since Inception	12.89	8.02	13.16
Net Assets	$1.82B		

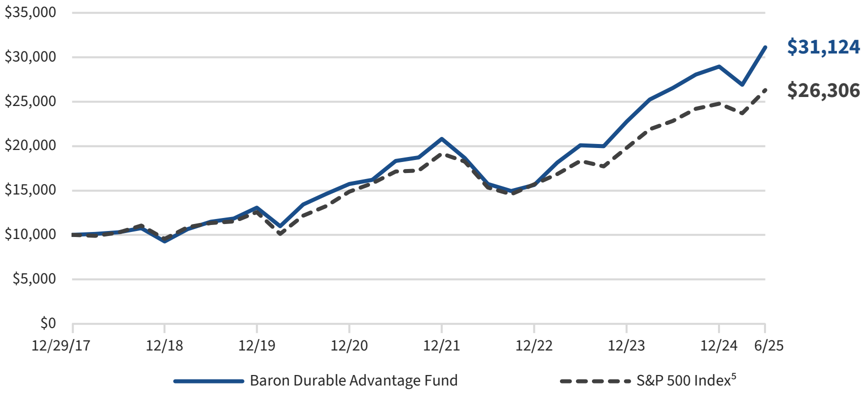
The Funds, MSCI Emerging Markets Index, MSCI Emerging Markets IMI Growth Index, MSCI ACWI Index, and MSCI ACWI Growth Index include reinvestment of dividends, net of foreign withholding taxes, while the Russell 2000 Growth Index, and Russell 3000, include reinvestment of dividends before taxes. Reinvestment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

* Not annualized.

See index footnotes on page 20.

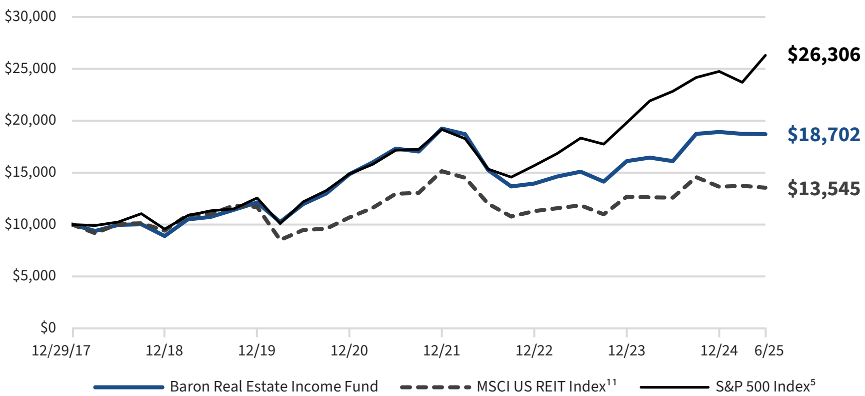
Growth of $10,000 Investment (Institutional Shares)

Baron Durable Advantage Fund® *(Inception Date:* 12/29/2017*)*



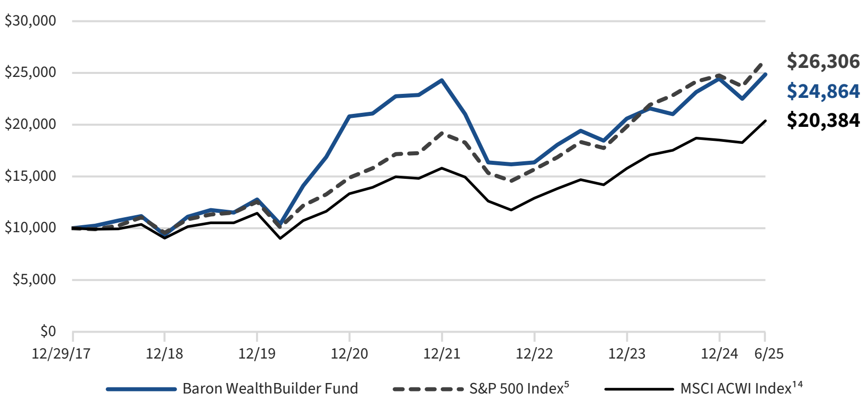
	Annualized Returns (%)	
	BDAIX	S&P 500 Index[5]
3 Months*	15.63	10.94
1 Year	17.21	15.16
3 Years	25.52	19.71
5 Years	18.29	16.64
Since Inception	16.34	13.76
Net Assets	$510.56M	

Baron Real Estate Income Fund® *(Inception Date:* 12/29/2017*)*



	Annualized Returns (%)		
	BRIIX	MSCI US REIT Index[11]	S&P 500 Index[5]
3 Months*	(0.23)	(1.46)	10.94
1 Year	15.94	7.62	15.16
3 Years	7.04	4.09	19.71
5 Years	9.32	7.38	16.64
Since Inception	8.71	4.13	13.76
Net Assets	$239.79M		

Baron WealthBuilder Fund® *(Inception Date:* 12/29/2017*)*



	Annualized Returns (%)		
	BWBIX	S&P 500 Index[5]	MSCI ACWI Index[14]
3 Months*	10.45	10.94	11.53
1 Year	18.29	15.16	16.17
3 Years	14.97	19.71	17.35
5 Years	12.00	16.64	13.65
Since Inception	12.91	13.76	9.96
Net Assets	$546.60M		

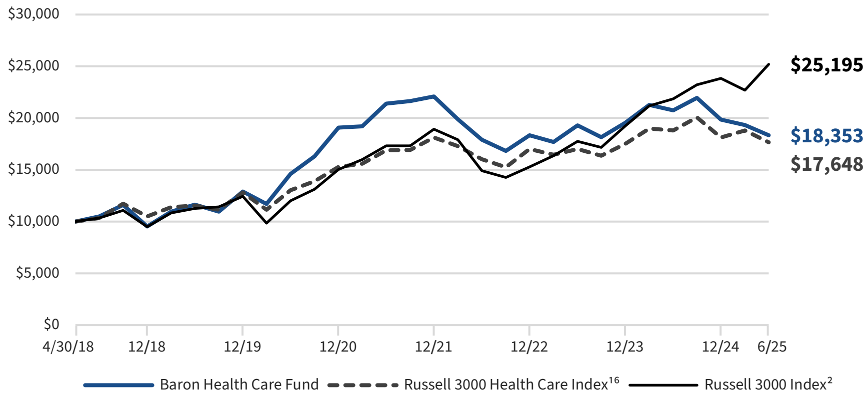
The Funds, MSCI US REIT Index, and MSCI ACWI Index include reinvestment of dividends, net of foreign withholding taxes, while the S&P 500 Index includes reinvestment of dividends before taxes. Reinvestment of dividends positively impacts performance results. The indexes are unmanaged. Index performance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

* Not annualized.

See index footnotes on page 20.

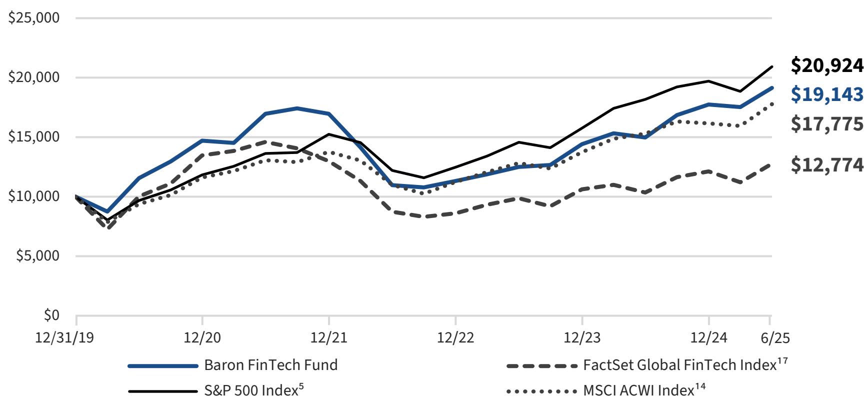
Growth of $10,000 Investment (Institutional Shares)

Baron Health Care Fund® *(Inception Date:* 4/30/2018*)*



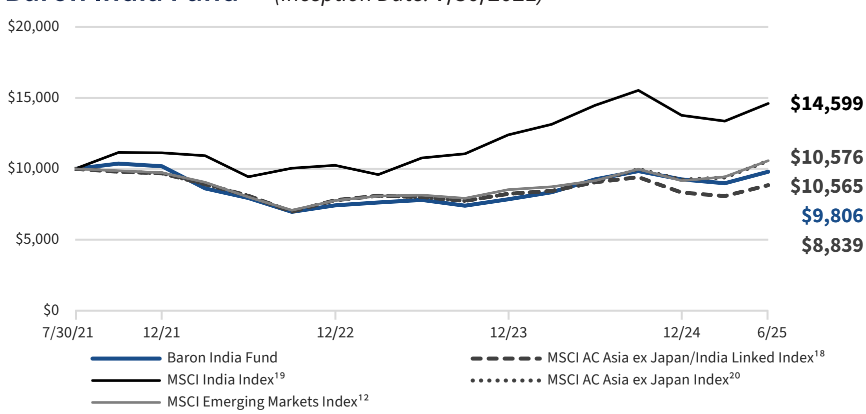
Annualized Returns (%)			
	BHCHX	Russell 3000 Health Care Index[16]	Russell 3000 Index[2]
3 Months*	(5.06)	(6.19)	10.99
1 Year	(11.48)	(6.13)	15.30
3 Years	0.83	3.30	19.08
5 Years	4.68	6.25	15.96
Since Inception	8.84	8.25	13.76
Net Assets	$141.44M		

Baron FinTech Fund® *(Inception Date:* 12/31/2019*)*



Annualized Returns (%)				
	BFIIX	FactSet Global FinTech Index[17]	S&P 500 Index[5]	MSCI ACWI Index[14]
3 Months*	9.26	13.82	10.94	11.53
1 Year	27.74	23.24	15.16	16.17
3 Years	20.36	13.49	19.71	17.35
5 Years	10.63	4.98	16.64	13.65
Since Inception	12.53	4.55	14.37	11.02
Net Assets	$74.78M			

Baron India Fund®† *(Inception Date:* 7/30/2021*)*



Annualized Returns (%)					
	BINDX	MSCI AC Asia ex Japan/ India Linked Index[18]	MSCI India Index[19]	MSCI AC Asia ex Japan Index[20]	MSCI Emerging Markets Index[12]
3 Months*	9.15	9.22	9.22	12.46	11.99
1 Year	5.90	(2.28)	0.85	16.81	15.29
3 Years	7.29	2.93	15.65	9.24	9.70
Since Inception	(0.50)	(3.10)	10.14	1.41	1.44
Net Assets	$18.10M				

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.

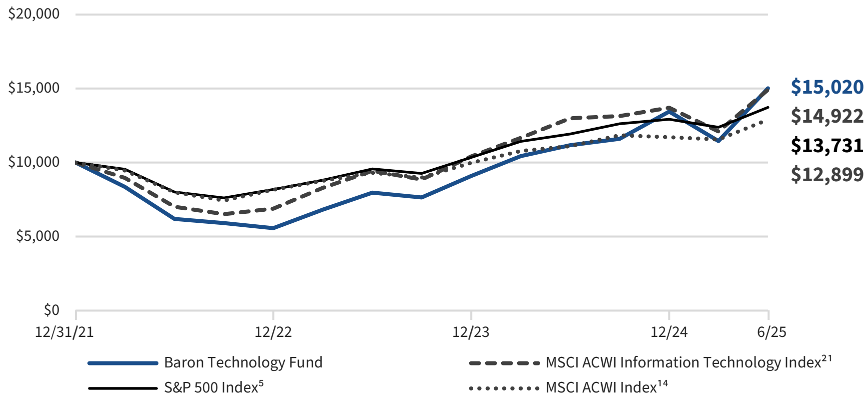
* Not annualized.

† 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 20.

Growth of $10,000 Investment (Institutional Shares)

Baron Technology Fund® *(Inception Date: **12/31/2021**)*



	Annualized Returns (%)			
	BTECX	MSCI ACWI Information Technology Index[21]	S&P 500 Index[5]	MSCI ACWI Index[14]
3 Months*	31.06	23.29	10.94	11.53
1 Year	34.35	14.86	15.16	16.17
3 Years	34.38	28.53	19.71	17.35
Since Inception	12.33	12.12	9.48	7.54
Net Assets	$100.61M			

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.

* Not annualized.

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 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.

20 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.

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 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.

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).

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BARON CAPITAL

QUARTERLY LETTER | JUNE 30, 2025

Baron Discovery Fund®

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

Randy Gwirtzman
Portfolio Manager

Laird Bieger
Portfolio Manager

SMALL CAP

Dear Baron Discovery Fund Shareholder,

Performance

"First they ignore you, then they laugh at you, then they fight you, then you win."

– Common political maxim often attributed to Mahatma Gandhi

Baron Discovery Fund® (the Fund) had a strong second quarter. The Fund was up 14.76% (Institutional Shares), which was 2.79% better than the 11.97% return of the Russell 2000 Growth Index (the Benchmark). Year-to-date, the Fund is up 7.68%, or 8.16% ahead of the Benchmark, which has returned negative 0.48% to date.

It feels as if we have lived through an entire market cycle (or perhaps an entire Presidential cycle) in only the past three months. The second quarter started on April 2 with President Trump's broad application of tariffs against trading partners of the U.S. also known as "Liberation Day." The market uncertainty of this new trade policy caused a drop in the Benchmark of nearly 16% from the close on Liberation Day to the market low on April 7. Since that low, the market rallied 30% through the close of the second quarter on June 30. The Benchmark is now at the prevailing levels when the President was inaugurated in January 2025, and at the high point of the second quarter.

Between these two data points of Benchmark highs and lows, an enormous number of policy initiatives have been undertaken, in every conceivable context, for which the final market implications have not yet been written. The scope is vast and potentially transformative. The policies seek to address, in an immediate timeframe, issues that have been created and then festered for decades. These initiatives encompass: (1) the U.S. balance of trade (trade negotiations and tariff implications); (2) foreign policy (can the U.S. maintain its superpower status, and the suasion that comes with it, without pulling the country into another foreign war?); (3) fiscal policy (what are the effects of the "Big Beautiful Bill" (BBB) that became law on July 4, 2025, making the 2015 tax cuts permanent, which should be stimulative to the economy, but might increase the Federal budget deficit?); (4) monetary policy (have the Trump administration's policies led to lower inflation which should lead to stimulative rate cuts by the Federal Reserve?); (5) legal clarification (what are the limits of the power of the executive branch and will this lead to Congress working harder to exercise its own power by more efficiently legislating in a more bi-partisan manner?); and (6) U.S. immigration policy (which has social, political, and economic implications).

Annualized performance (%) for period ended June 30, 2025†

	Fund Retail Shares[1,2]	Fund Institutional Shares[1,2]	Russell 2000 Growth Index[1]	Russell 3000 Index[1]
3 Months[3]	14.70	14.76	11.97	10.99
6 Months[3]	7.56	7.68	(0.48)	5.75
1 Year	29.55	29.84	9.73	15.30
3 Years	15.15	15.43	12.38	19.08
5 Years	8.99	9.27	7.42	15.96
10 Years	11.25	11.55	7.14	12.96
Since Inception (9/30/2013)	12.61	12.89	8.02	13.16
Since Inception (9/30/2013) (Cumulative)[3]	303.54	315.71	147.51	327.29

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.

All the aforementioned policy initiatives are interrelated. The budget affects the deficit, which affects the debt, which affects inflation, which affects monetary policy. And foreign policy affects budgetary decisions on defense, as well as the potential positive or negative effects on the economy from more peaceful world trade. We could go on, but obviously the iterations are endless. The administration has attempted to change everything simultaneously, which initially caused extreme market anxiety. However, as data points have come in (inflation is lower than expected, tariff revenues are much higher than expected, unemployment numbers are holding steady at low levels and GDP growth looks solid), the market rallied on the possibility that policy might indeed be moving the economy in the right direction. We have witnessed extreme policy intensity, but it had to be done this way to cut the Gordian knot of interrelated problems.

So the President has moved through three of Mahatma Gandhi's stages of goal attainment in pressing his policies. It remains to be seen if he will indeed "win."

In addition to the policy tailwinds we describe above, we continue to believe there are several reasons why the Fund, and small-cap stocks generally, are attractive today. These include the fact that small-cap growth stocks have underperformed large-cap stocks for an extended period of time. At June 30, 2025, the Russell 2000 Growth Index was still 12.4% below its highs more than four years ago (at February 9, 2021) while at the same time the NASDAQ Composite Index is up over 50% and the S&P 500 Index is up almost 70%. It is our belief that large-cap stocks will not outperform small-cap growth stocks forever and therefore, we could be nearing a period where the opposite occurs. Valuations for small-cap growth stocks remain attractive in both absolute and relative terms. The next 12-month P/E valuation of the Benchmark remains at a discount to the large-capitalization S&P 500 Index and it has been that way for four years! As we have previously written, small-cap growth stocks typically trade at valuation premiums to large-cap stocks given their faster growth. Lastly, investor allocations to small-capitalization growth stocks remain at multi-year lows, indicating a huge potential tailwind to small caps as we revert to more normalized allocations.

We remain excited by our portfolio company's prospects. The majority of our companies are benefiting from powerful secular tailwinds. Examples include applied AI, next-generation unmanned aerospace and defense, cybersecurity, advanced cancer diagnostics, the movement of application software to the cloud, and the explosion in online sports betting. We believe the portfolio is well positioned to outperform over the long term.

Top contributors to performance for the quarter

	Contribution to Return (%)
Kratos Defense & Security Solutions, Inc.	1.89
Montrose Environmental Group, Inc.	1.04
Karman Holdings Inc.	0.97
indie Semiconductor, Inc.	0.87
DraftKings Inc.	0.86

Leading defense technology provider **Kratos Defense & Security Solutions, Inc.** contributed to performance during the quarter amid growing momentum across nearly the entire business. We believe Kratos is well positioned for accelerated multi-year growth, as prior investments in high-growth areas of defense—such as hypersonic technology, drone engines, small missile engines, space, microwave electronics, and unmanned systems—are translating into larger contract awards. Demand is being driven by increased funding from the U.S. Department of Defense and other global militaries. In our view, the current operating environment has never been better, and few companies are as well equipped as Kratos to deliver the advanced solutions required for modern warfare.

Shares of **Montrose Environmental Group, Inc.**, a leading environmental services company, rebounded during the quarter. The stock had fallen sharply earlier in the year due to concerns that environmental policy changes and new leadership at the Environmental Protection Agency under President Trump would reduce enforcement of regulations underpinning Montrose's testing and monitoring services. These concerns ultimately did not materialize, and the company continues to grow, supported by strong secular tailwinds such as rising industrial activity and increased regulatory oversight at the state level. Montrose's decision to pause acquisition spending has also allowed its organic growth profile to stand out, while the payoff of its convertible debt has increased transparency, helping unlock value for shareholders. We remain invested in Montrose, as we believe the company retains its competitive advantages, stands to benefit from secular growth trends, and trades at an attractive valuation.

Shares of **Karman Holdings Inc.**, a best-in-class supplier of defense systems, rose during the quarter after the company reported strong earnings results that exceeded investor expectations. The company is well positioned across nearly all of the fastest-growing areas within the upcoming $1 trillion-plus U.S. defense budget (including missile defense and hypersonic technology) and supports most of the leading space launch companies (with market leading rocket component technology). We believe Karman's position should enable it to outpace overall defense budget growth and continue to earn exceptional margins.

Top detractors from performance for the quarter

	Contribution to Return (%)
Clearwater Analytics Holdings, Inc.	(0.57)
Inspire Medical Systems, Inc.	(0.35)
The Macerich Company	(0.28)
RH	(0.26)
Independence Realty Trust, Inc.	(0.26)

Clearwater Analytics Holdings, Inc. provides portfolio accounting and reporting software. While the company reported strong quarterly earnings and its business fundamentals remain solid, shares fell as investors sought evidence that management can successfully integrate its three recent acquisitions without disrupting the core business. Insider selling also weighed on sentiment, though that overhang now appears largely resolved. We retain conviction. We believe Clearwater has meaningful competitive advantages and the potential to compound revenue at a high teens to 20% rate for several years. And the company has an efficient business model that should drive 40%-plus adjusted EBITDA margins over time.

Inspire Medical Systems, Inc. is a medical device company offering a treatment option called hypoglossal nerve stimulation for patients with moderate-to-severe obstructive sleep apnea. Shares declined during the second quarter. The company is in the early stages of commercializing its fifth-generation device, Inspire 5, which reduces procedure time and simplifies the process for surgeons. Management noted that some patients delayed surgery in anticipation of the new device, leading to a slowdown in procedures during the quarter. Shares were also pressured by concerns about new competitors entering the market and the potential long-term impact of GLP-1 weight loss drugs on business, given the link between obesity and sleep apnea. Despite these headwinds, we believe Inspire remains well positioned to grow at a healthy rate, supported by its market leadership and the substantial size of the addressable patient population. We believe the current valuation presents a compelling entry point given the company's long-term growth potential.

Shares of **The Macerich Company** underperformed during the quarter. Macerich is a REIT that owns a high-quality portfolio of mall retail real estate. Underperformance was driven by concerns that strong retail leasing demand may subside over tariff and economic related concerns.

Portfolio Structure

Top 10 holdings

	Year Acquired	Quarter End Investment Value ($M)	Percent of Net Assets (%)
Kratos Defense & Security Solutions, Inc.	2020	65.4	3.6
Exact Sciences Corporation	2024	60.2	3.3
DraftKings Inc.	2023	57.9	3.2
Liberty Media Corporation - Liberty Live	2023	56.8	3.1
Guidewire Software, Inc.	2022	55.4	3.0
CyberArk Software Ltd.	2022	53.0	2.9
Mercury Systems, Inc.	2015	49.6	2.7
PAR Technology Corporation	2018	48.6	2.7
Karman Holdings Inc.	2025	46.0	2.5
Montrose Environmental Group, Inc.	2020	45.2	2.5

Our top ten holdings comprised 29.5% of the Fund's net assets. This is consistent with the concentration of the Fund since inception. Cash at quarter end represented 8.9% of the portfolio, which is slightly above historical norms due to a large inflow at the end of the quarter.

Recent Activity

Top net purchases for the quarter

	Year Acquired	Quarter End Market Cap ($B)	Net Amount Purchased ($M)
Wynn Resorts, Limited	2025	9.8	26.4
Novanta Inc.	2017	4.6	18.9
Dynatrace, Inc.	2019	16.5	14.0
Alkami Technology Inc.	2021	3.1	12.7
Inspire Medical Systems, Inc.	2024	3.8	9.6

Ategrity Specialty Insurance Company Holdings is an insurance company focused on the excess and surplus (E&S) market. E&S insurance is a complementary market to the more heavily regulated "Admitted" market. The E&S market gives insurers more flexibility in policy terms and pricing than the Admitted market, which enables more suitable underwriting of certain risks. Ategrity is 100% focused on the E&S market, similar to existing Fund holding **Kinsale Capital Group, Inc.**

We invested in Ategrity when it went public in the quarter. Ategrity focuses on policies for small businesses. This segment is more attractive than large business as there is less competitive intensity, since most insurers can't serve small businesses in a cost-effective manner. Ategrity is able to serve this segment profitably as it leverages a data-driven approach to better ingest policy submissions, segment risks, and quote prices. This allows Ategrity to acquire small business policies in a high-speed, light-touch fashion, which also makes the company an attractive partner to insurance brokers who value timely quotes.

Ategrity has been growing written premiums at over 20% and is currently ceding over 30% of its business to reinsurers. Post-IPO the company will be over-capitalized and so can retain more of the business that it generates, which should lead to strong earnings improvement. We expect the company will continue growing premiums rapidly, and as it builds scale profitability should improve through a lower expense ratio. With improving margins and more business retained by the company, we think Ategrity can achieve a mid-teens return on equity over the next three years, delivering a compelling return on our investment.

During the quarter, we established a new position in **Wynn Resorts, Limited**. Wynn is a luxury resort and casino operator which currently owns integrated gaming properties in Las Vegas, Macau, and Boston. At the start of the quarter, the potential impact of tariffs and a trade war with China weighed on the stock. We took advantage of this weakness by building a position at what we believed were attractive prices. In preview, our analysis showed that we were buying the stock at trough valuation multiples on both the Las Vegas and Macau properties and we were getting the upside from the currently under construction Al Marjan Island project (located in the UAE) for essentially free.

There are a handful of factors that differentiate Wynn from other casino operators and make the stock attractive in our opinion. First, we believe Wynn remains the most differentiated operator in

SMALL CAP

the gaming sector with a premium offering that caters to high-end customers. This focus on premium service enables the company to command higher room rates and gaming revenue per visitor. This also helps to insulate the company during more challenging macro-economic periods.

Second, the company is working on numerous growth opportunities, the most important of which is the company's investment into the first casino in the UAE. Wynn Al Marjan (a joint venture with local partners) will have over 1,500 rooms, mass-market and VIP gaming, premium food and beverage selections with celebrity chefs, and luxury retail. The property should generate strong demand from Dubai residents, Ras Al Khaimah vacationers, and direct international visitors. Construction is well underway, and the resort is on-pace to open in the first quarter of 2027. We are bullish on the prospects for this integrated resort and we think the stock is ascribing almost no value to the project currently.

Lastly, Wynn derives a significant portion of its revenue from Macau (China's version of Las Vegas). Macau's gaming revenues remain well below pre-pandemic levels and in the last few quarters, growth in the market has stalled. As a result, Macau gaming stocks suffered from dampened investor sentiment resulting in valuations we believe offered compelling risk/reward. Since purchasing the stock, the Macau market has started to show better-than-expected growth with June gross gaming revenues up double digits year-over-year versus low single-digits growth for the year through May. While one month does not make a trend, we believe that Chinese tourism and discretionary spending will improve over time and that Wynn's Macau resorts could see significant upside when that happens.

Wynn's stock has appreciated nicely since our purchase. Nevertheless, we still believe the stock has room to double from here over the next five years. We also think that Wynn's five-star quality resorts could potentially be attractive to an acquirer.

Apart from new positions discussed above, we added to existing positions in electronic products manufacturer **Novanta Inc.**, AI-powered observability and security platform business **Dynatrace, Inc.**, digital banking solutions provider **Alkami Technology Inc.**, and obstructive sleep apnea treatment leader **Inspire Medical Systems, Inc.**, among others.

Top net sales for the quarter

	Year Acquired	Market Cap When Acquired ($B)	Quarter End Market Cap or Market Cap When Sold ($B)	Net Amount Sold ($M)
Dayforce, Inc.	2022	8.6	8.1	27.1
Couchbase, Inc.	2021	1.3	1.3	26.0
Kratos Defense & Security Solutions, Inc.	2020	2.2	7.7	21.2
The Macerich Company	2024	4.5	3.6	15.6
Tempus AI, Inc.	2024	6.6	11.0	9.9

We exited our position in **Dayforce, Inc.** in order to fund additional purchases in **Dynatrace, Inc.** (while at the same time not becoming overly exposed to the software industry). While we are long-term believers in the Dayforce growth opportunity, growth recently fell below our expectations, and we felt Dynatrace exhibited stronger growth opportunities both near and long term. We exited our position in **The Macerich Company** due to increased headwinds in the macro-economic environment.

We sold our position in database software provider **Couchbase, Inc.** after it agreed to be purchased by a private equity firm for a 29% premium to its trading price prior to the announcement.

Shares of luxury home furnishings retailer **RH** faced significant volatility during the quarter and detracted from performance. The heightened volatility was due in large part to increased uncertainty related to tariffs as the company imports a large percentage of its products. At the same time, the home furnishings industry remains under pressure due to lessened housing activity related to high interest rates and macroeconomic uncertainty. Despite having conviction in RH's long-term growth prospects, because of the heightened risk and uncertainty we exited our position.

We trimmed defense technology provider **Kratos Defense & Security Solutions, Inc.** and precision medicine solutions provider **Tempus AI, Inc.** to manage position sizing following strong recent performance.

Outlook

We are very excited about the business prospects of our investments and their current valuations. And all of this is spring-loaded against what could be some great macroeconomic tailwinds for small capitalization stocks. Thank you for investing in the Baron Discovery Fund.

Randy Gwirtzman
Portfolio Manager

Laird Bieger
Portfolio Manager

† 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 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 Not annualized.

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.

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).

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BARON CAPITAL

QUARTERLY LETTER | JUNE 30, 2025

Baron Growth Fund®

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

Neal Rosenberg
Portfolio Manager

Ron Baron
CEO, Portfolio Manager

Dear Baron Growth Fund Shareholder,

Performance

Baron Growth Fund® (the Fund) rose 0.86% (Institutional Shares) for the quarter ended June 30, 2025. This trailed the return of the Fund's benchmark, the Russell 2000 Growth Index (the Benchmark), which gained 11.97% for the quarter. The Russell 3000 Index, which measures the performance of the 3,000 largest publicly traded U.S. companies, gained 10.99% for the quarter.

Our strategy of owning a high-conviction portfolio of competitively advantaged businesses was out of favor this quarter, as investors bid up relatively riskier stocks, as measured by beta. We estimate that this quarter was the second-best quarter for relatively riskier stocks since 1998, trailing only the post COVID-rally in 2020. While our relative performance will inevitably vary across quarters, we are confident that our focus on owning a portfolio of sustainably differentiated businesses and holding it for the long term will continue to generate attractive returns over time.

Annualized performance (%) for period ended June 30, 2025

	Fund Retail Shares[1,2]	Fund Institutional Shares[1,2,3]	Russell 2000 Growth Index[1]	Russell 3000 Index[1]
3 Months[4]	0.80	0.86	11.97	10.99
6 Months[4]	(3.54)	(3.42)	(0.48)	5.75
1 Year	4.48	4.75	9.73	15.30
3 Years	8.42	8.70	12.38	19.08
5 Years	7.60	7.88	7.42	15.96
10 Years	9.23	9.51	7.14	12.96
15 Years	11.79	12.08	11.06	14.46
Since Inception (12/31/1994)	12.11	12.26	7.76	10.83

U.S. stocks gained 10.94% during the second quarter as measured by the S&P 500 Index. While this represents significant quarterly appreciation, it understates the true magnitude of intra-quarter changes. Between April 1 and June 30, markets were confronted with the proposed upending of the international trade system, a series of bilateral trade agreements that seemed to be negotiated over social media, and a shooting war in the Middle East. Investors that tried to reposition their portfolios in response to these events could easily have sold their holdings during the 11% drawdown that began the quarter and would have missed the eventual 25% rally off April's lows.

We believe that these macroeconomic and geopolitical events are largely unpredictable and rarely have any long-term impact on the growth prospects, competitive advantages, or earnings power of companies. Rather than trying to react to such variables, we exclusively invest in competitively advantaged businesses and hold them for the long term. We have worked to further increase the differentiation of our portfolio by gradually increasing its concentration over the last several years. As of June 30, the portfolio generates higher margins, cash flow, and returns on capital compared to its historical composition and the Benchmark, while targeting the same attractive growth profile that we have always pursued. Specifically, the operating margin of the portfolio has improved to 28.5%, which is approximately 530 basis points above our historical average and approximately 2,000 basis points above the Benchmark. We do not presently own any businesses that are unprofitable. Similarly, the free cash flow margin of the portfolio has expanded to 30.7%, which is approximately 910 basis points above our historical average and 2,080 basis points above the Benchmark. Finally, the return on invested capital (ROIC) of the portfolio has risen to 17.9%,

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 1.34% and 1.08%, respectively (comprised of operating expenses of 1.29% and 1.03%, respectively, and interest expense of 0.05% and 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.

which is 440 basis points above our historical average. The average ROIC of our benchmark is a shocking (0.3%).

We believe that the superior attributes of the individual stocks in which we have invested, coupled with our long holding period, have been the key drivers of our 30-year-plus track record. This focus also helps to reduce the aggregate risk of the portfolio. However, we recognize that the current rate of turnover in the portfolio is at the low end of our historical levels and the portfolio's concentration is at the high end of historical levels. We believe that it is important to increase our turnover and decrease our concentration back towards our historical levels. We expect to make progress on both fronts over the next several quarters by adding new positions to the portfolio. We have a large pipeline of new compelling ideas in both public and private securities, and we are confident that these will be additive to our returns going forward.

The Fund will begin adding smaller growth companies to its portfolio in the coming quarters. The superior financial attributes of the individual businesses that the Fund OWNS...coupled with the outstanding growth of those businesses... has allowed the Fund to be the NUMBER TWO performing small-cap growth fund since its inception in 1994! That growth was achieved by the exceptional management teams in whom we have invested. The due diligence we perform on these businesses is exemplified by one of the six key principles of our investment process, QUESTION EVERYTHING. That principle is followed by our 45 analysts and portfolio managers.

As of June 30, 2025, the Morningstar Mid-Cap Growth Category consisted of 494, 446, 367 and 148 funds, respectively, for the 1-, 5-, 10-year and since inception periods. Morningstar ranked Baron Growth Fund in the 84th, 67th, 55th, and 4th percentiles for the 1-, 5-, 10-year and since inception periods, respectively. The category average are 15.12%, 9.32%, 9.84% and 9.61% for the 3-month, YTD, 1-, 3, 5-, 10-year and since inception periods, respectively. The Morningstar percentile rankings are based on the total return, excluding sales charges, of all share classes of all funds within the Category.

As of June 30, 2025, the Baron Adjusted Morningstar Small Growth Category consisted of 557, 530, 416 and 44 funds, respectively, for the 1-, 5-, 10-year and since inception periods. The number of funds in the category may vary depending on the date that Baron made the calculation. Baron Growth Fund in the 67th, 51st, 27th, and 3rd percentiles for the 1-, 5-, 10-year and since inception periods, respectively. The category average of the Baron Adjusted Morningstar Small Growth Category are 8.07%, 7.88%, 8.40% and 9.66% for the 1-, 5-, 10-year and since inception periods, respectively. The Baron -Adjusted Morningstar Small Growth Category percentile rankings are based on the total return, excluding sales charges, of all share classes of all funds within the category.

Morningstar moved Baron Growth Fund from the Small Growth Category to the Mid-Cap Growth Category effective May 31, 2011. The Fund's investment mandate has been, and continues to be, to invest in small-cap growth stocks for the long term. Because of its long-term approach, the Fund could have a significant percentage of its assets invested in securities that have appreciated beyond their market capitalization at the time of the Fund's initial investment. Morningstar calculates the Morningstar Mid-Cap Growth Category Average performance and rankings using its Fractional Weighting methodology.

We recognize another important reason for the Fund's performance is its exceptionally low turnover. We obviously adhere to the maxim, "you should leave the dance with the same girl you came with." Regardless, we recognize that the current rate of turnover in the portfolio is at the low end of our historic levels and the portfolio's concentration is at the high end of historic levels.

During the past three years stocks of smaller growth companies have underperformed larger-capitalization businesses...and especially underperformed stocks of larger technology businesses. You can prove this to yourself by reading Barron's newspaper every weekend and looking up the performance of small-cap growth mutual funds in the tables at the back of the weekly newspaper.

When the small-cap growth fund, Baron Growth Fund, has underperformed larger capitalization indexes for a sustained period, in the past its performance has soon afterward been exceptional. Although we certainly cannot assure you that will again be the case, we are working hard to achieve historic returns.

The past three years of underperformance by many really neat small-cap growth companies has created, in our opinion, a plethora of opportunities. Although we expect our existing portfolio of investments to soon again outperform, our researchers and managers are working hard to take advantage of the many investment opportunities in smaller publicly owned growth companies...which you can expect to soon begin to populate this portfolio.

Our performance this quarter benefited from our willingness to hold stocks even as they appreciate as long as our thesis remains intact and we see a path to attractive future returns. **Guidewire Software, Inc.**, the leading provider of core systems software to the property and casualty (P&C) insurance industry, gained 25.7% this quarter, and 70.8% over the last 12 months. 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 $2.5 trillion global P&C insurance industry. While Guidewire's stock price has increased more than 850% since we initiated our position, we believe the company has the potential to be 5 to 10 times larger than its current size, and we believe that its stock price can follow a similar trajectory.

Similarly, the Fund benefitted from our long-term ownership in **IDEXX Laboratories, Inc.**, the global leader in veterinary diagnostics, which gained 27.7% in the quarter. Shares lagged last year as modest declines in pet owner visits to U.S. veterinary clinics tempered IDEXX's short-term growth rate. Our research indicated that headwinds were due to a temporary mix shift in pet age following the "pandemic puppy" boom, the echo effects of pets purchased during the great financial crisis reaching the end of their lifespans, and some macroeconomic headwinds in discrete markets. The combination of iterative research and 20 years of experience investing in animal health led us to conclude that the long-term secular drivers around diagnostic frequency, diagnostic intensity, and an ever-growing human-animal bond remained intact. We also remained confident that "demographics are destiny," and as such believed short-term foot traffic headwinds will inevitably turn to tailwinds. More importantly, we were excited by IDEXX's compelling new product cycle, in which the company has invested almost $1 billion over the last 5 years alone. We expect this cycle to be underpinned by two new in-clinic instruments, a breakthrough cancer screening panel, and a series of menu expansions to its market-leading chemistry platform. We believe that this quarter's attractive returns reflect other investors acknowledging IDEXX's innovation-led growth potential. IDEXX's stock price has increased more than 3,600% cumulatively, which corresponds to a 19.4% annualized return since our initial investment. Given the company's vast addressable market, durable and expanding competitive advantages, and compelling financial model, we see earnings compounding at close to a 20% rate for the next 10 years and believe that stock performance should follow earnings growth.

Despite strong contributions from these individual stocks, our overall strategy of owning a high-conviction portfolio of secular growth business was out of favor during the quarter. While our relative performance will inevitably vary in the short term, we are confident that our strategy of owning a portfolio of businesses with attractive growth rates, large addressable markets, and durable competitive advantages will continue to generate attractive returns over time.

This optimistic outlook is 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 versus its Benchmark. On average, these periods of underperformance lasted for just over a year, with the average shortfall being 10.9% cumulatively or 8.6% 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 during these periods. This has aggregated into excellent absolute and relative results for the fund over time.

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

Total returns by investment type for the quarter

	Percent of Net Assets (%)	Total Return (%)	Contribution to Return (%)
Disruptive Growth	**4.2**	**20.34**	**0.78**
FIGS, Inc.	1.2	22.88	0.24
Iridium Communications Inc.	3.0	10.98	0.29
ANSYS, Inc.	0.0	8.52	0.25
Farmers Business Network, Inc.	0.0	0.00	0.00
Northvolt AB	0.0	0.00	0.00
Russell 2000 Growth Index		**11.97**	
Core Growth	**25.0**	**3.50**	**0.99**
IDEXX Laboratories, Inc.	3.2	27.72	0.73
Guidewire Software, Inc.	3.4	25.67	0.73
CoStar Group, Inc.	6.4	1.48	0.12
Mettler-Toledo International Inc.	1.2	(0.52)	(0.01)
Bright Horizons Family Solutions, Inc.	0.6	(2.72)	(0.01)
Gartner, Inc.	8.6	(3.69)	(0.25)
Bio-Techne Corporation	1.4	(12.03)	(0.20)
Krispy Kreme, Inc.	0.0	(19.36)	(0.02)
Neogen Corp.	0.1	(44.87)	(0.10)
Financials	**25.0**	**3.50**	**0.99**
The Carlyle Group Inc.	1.1	18.92	0.18
Houlihan Lokey, Inc.	1.4	11.81	0.16
Moelis & Company	0.4	8.07	0.03
Morningstar, Inc.	4.9	4.85	0.24
MSCI Inc.	12.1	2.33	0.36
Kinsale Capital Group, Inc.	7.6	(0.54)	(0.09)
FactSet Research Systems Inc.	7.3	(1.34)	(0.08)
Primerica, Inc.	5.8	(3.45)	(0.21)
Arch Capital Group Ltd.	13.1	(5.29)	(0.73)
Cohen & Steers, Inc.	2.1	(5.38)	(0.12)
Clearwater Analytics Holdings, Inc.	0.1	(18.17)	(0.03)
Real/Irreplaceable Assets	**25.0**	**3.50**	**0.99**
Red Rock Resorts, Inc.	2.1	23.17	0.44
Vail Resorts, Inc.	5.4	(0.41)	(0.08)
Choice Hotels International, Inc.	6.5	(4.24)	(0.31)
Gaming and Leisure Properties, Inc.	3.9	(6.76)	(0.31)
Cash	**(3.0)**	**–**	**–**
Fees	**0.0**	**(0.31)**	**(0.31)**
Total	**100.0***	**0.90****	**0.90****

* *Individual weights may not sum to displayed total due to rounding.*
** *Represents the blended return of all share classes of the Fund.*
Sources: Baron Capital, FTSE Russell, and FactSet PA.

Our investments in **Real/Irreplaceable Assets**, **Core Growth**, and **Financials** represent between 17.9% and 55.9% of the Fund's net assets, and aggregate to 98.8%. Another 4.2% 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, our Disruptive Growth investments outperformed the Benchmark, while the other three categories underperformed due to their higher quality and lower perceived risk, which were temporarily out of favor.

Performance: Millennium internet bubble to present.

	Millennium Internet to Financial Panic 12/31/1999 to 12/31/2008	Financial Panic to Present 12/31/2008 to 6/30/2025	Millennium Internet Bubble to Present 12/31/1999 to 6/30/2025	Inception 12/31/1994 to 6/30/2025
Alpha (5%)	5.05	3.15	4.75	6.24
Beta	0.58	0.80	0.70	0.72

Performance in Challenging Times: Millennium internet bubble to present. The impact of not losing money.

	Millennium Internet to Financial Panic 12/31/1999 to 12/31/2008		Financial Panic to Present 12/31/2008 to 6/30/2025		Millennium Internet Bubble to Present 12/31/1999 to 6/30/2025		Inception 12/31/1994 to 6/30/2025	
	Value of $10,000	Annualized Return (%)	Value of $10,000	Annualized Return (%)	Value of $10,000	Annualized Return (%)	Value of $10,000	Annualized Return (%)
Baron Growth Fund (Institutional Shares)	12,448	2.46	29,779	18.28	37,071	8.82	137,128	13.62
Russell 2000 Growth Index	6,476	(4.71)	31,779	19.47	20,579	4.77	49,088	8.07
Russell 3000 Index	7,634	(2.95)	27,046	16.54	20,648	4.79	68,059	9.81

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

SMALL CAP

The Fund has meaningfully outperformed its Benchmark over the long term. The Fund has gained 12.26% on an annualized basis since its inception on December 31, 1994, which exceeds that of the Benchmark by 4.50% and the Russell 3000 Index by 1.43%, 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 good 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 Millennium Internet Bubble to Financial Panic period in table above). 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 $340,194 on June 30, 2025. This is approximately 3.5 times greater than the $97,812 the same hypothetical investment made in a fund designed to track the Benchmark would be worth, and almost 50% 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 above) 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.

Top contributors to performance for the quarter

	Year Acquired	Market Cap When Acquired ($B)	Quarter End Market Cap ($B)	Total Return (%)	Contribution to Return (%)
IDEXX Laboratories, Inc.	2005	1.9	43.1	27.72	0.73
Guidewire Software, Inc.	2012	1.3	19.8	25.67	0.73
Red Rock Resorts, Inc.	2016	2.3	5.5	23.14	0.44
MSCI Inc.	2007	1.8	44.8	2.32	0.36
Iridium Communications Inc.	2014	0.6	3.3	10.98	0.29

Shares of veterinary diagnostics leader **IDEXX Laboratories, Inc.** contributed to performance for the quarter after reporting better-than-expected financial results. Foot traffic to veterinary clinics in the U.S. remains under pressure, which has continued to hamper aggregate revenue growth. Despite macroeconomic challenges, IDEXX's excellent execution has enabled the company to maintain strong performance. We believe competitive trends are outstanding, and we expect new proprietary innovations and field sales force expansion to be meaningful contributors to growth in 2025. We see increasing evidence that long-term secular trends around pet ownership and pet care spending have structurally accelerated, which should help support IDEXX's long-term growth rate.

Shares of P&C insurance software vendor **Guidewire Software, Inc.** contributed to performance on strong fiscal Q3 2025 financial results and an upward revision to full-year guidance. After a multi-year transition, we think Guidewire's cloud migration is largely complete. We believe 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 from infrastructure investment to product development, which should help drive cross-sales into its sticky installed base and potentially accelerate ARR growth over time. We are further encouraged by Guidewire's subscription-based gross margin expansion, which improved by more than 600 basis points in the 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%.

Red Rock Resorts, Inc. is a casino owner and operator focused on the Las Vegas Locals market. Shares rose during the quarter as the market returned to growth following the successful absorption of Red Rock's Durango property, which opened in December 2023. This recovery is expected to accelerate the return of customers to Red Rock's other casino resorts and fully offset prior cannibalization by mid-2026. Red Rock is currently renovating and expanding its three core assets. While these projects may cause some near-term construction disruption, we expect them to drive stronger earnings growth next year and generate attractive returns on capital. The resulting increase in cash flow should support further casino development, debt reduction, and additional dividend payments. The stock trades at a discount to its historical average, which we find attractive given the company's growth prospects and improving balance sheet.

Top detractors from performance for the quarter

	Year Acquired	Market Cap When Acquired ($B)	Quarter End Market Cap ($B)	Total Return (%)	Contribution to Return (%)
Arch Capital Group Ltd.	2002	0.4	34.1	(5.31)	(0.73)
Gaming and Leisure Properties, Inc.	2013	4.2	12.8	(6.75)	(0.31)
Choice Hotels International, Inc.	1996	0.4	5.9	(4.24)	(0.31)
Gartner, Inc.	2007	2.3	31.1	(3.70)	(0.25)
Primerica, Inc.	2010	1.0	9.1	(3.45)	(0.21)

Specialty insurer **Arch Capital Group Ltd.** gave back some of its gains from earlier in the year, following slower growth and broader weakness across insurance stocks during the second quarter. In the first quarter, premium growth came in below forecasts and slowed relative to the prior quarter due to rising competition and lower pricing in certain business lines. Even so, earnings beat expectations due to stronger underwriting margins and lower tax rates. We continue to own the stock due to Arch's strong management team and our expectation of significant growth in earnings and book value over time.

Gaming and Leisure Properties, Inc. is a triple net REIT that owns and leases casino properties. Shares declined during the quarter amid investor concerns that interest rates would remain higher for longer, making the company's 6% dividend yield relatively less attractive. We remain shareholders. Gaming and Leisure Properties is collecting 100% of its rent, increasing rental rates by 2% annually, and growing its dividend at a low- to mid-single-digit rate per year. With a robust balance sheet and strong free cash flow profile, we believe the company is well positioned to continue making acquisitions and returning capital to shareholders through dividends. In our view, the current yield remains compelling and, when combined with earnings growth, should drive attractive returns over time.

Choice Hotels International, Inc. is a global franchisor of economy and midscale hotels across a portfolio of well-known brands. Shares fell during the quarter as investors focused on slowing revenue-per-available-room (RevPAR) growth. However, management has steadily reduced Choice's exposure to RevPAR fluctuations by expanding higher-margin, non-RevPAR fee income as it leverages the company's 70-million-member loyalty database to secure additional partnerships with credit card companies, timeshare operators, and casinos. Choice is also adding higher-revenue units at a low single-digit rate, with a focus on larger room sizes, premium royalty rates, and RevPAR levels that exceed the current portfolio. We expect revenue growth to accelerate as a robust pipeline of new projects come online and Choice captures synergies from its Radisson Americas acquisition by increasing traffic to those properties and narrowing the royalty-rate gap between Radisson and legacy Choice brands. With a strong balance sheet, Choice is well positioned to return capital to shareholders through dividends and share repurchases.

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 June 30, 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 19.7 years, ranging from an 8.6-year investment in **Kinsale Capital Group, Inc.** to investments in **Choice Hotels International, Inc.** and **Vail Resorts, Inc.** that exceed 28 years. We have held 20 investments, representing 90.7% of the Fund's net assets, for more than 10 years. We have held 7 investments, representing 12.4% of the Fund's net assets, for fewer than 10 years. We believe the tables below quantify the merits of our long-term holding philosophy.

Top performing stocks owned more than 10 years

	Year Acquired	Cumulative Return Since Date Acquired (%)	Annualized Return Since Date Acquired (%)
IDEXX Laboratories, Inc.	2005	3,626.5	19.4
Choice Hotels International, Inc.	1996	3,545.7	13.4
Arch Capital Group Ltd.	2002	3,249.0	16.3
MSCI Inc.	2007	2,501.3	20.3
CoStar Group, Inc.	2004	1,908.0	15.6
Gartner, Inc.	2007	1,725.7	17.7
Morningstar, Inc.	2005	1,650.6	15.3
Primerica, Inc.	2010	1,548.6	20.2
Mettler-Toledo International Inc.	2008	1,528.4	18.3
Cohen & Steers, Inc.	2004	1,361.1	13.7

The cohort of investments that we have held for more than 10 years earned a weighted average annualized rate of return of 15.9% since we first purchased them. This exceeded the performance of the Fund's Benchmark by 7.5% annualized. Three of these investments have achieved annualized returns that exceeded the Benchmark by more than 10% per year.

Top performing stocks owned less than 10 years

	Year Acquired	Cumulative Return Since Date Acquired (%)	Annualized Return Since Date Acquired (%)
Kinsale Capital Group, Inc.	2016	1,727.6	40.3
Houlihan Lokey, Inc.	2017	411.1	23.6
Red Rock Resorts, Inc.	2016	263.1	15.1
Clearwater Analytics Holdings, Inc.	2023	47.4	18.3

The cohort of investments that we have held for fewer than 10 years has returned 28.2% annually on a weighted average basis since our initial purchase, exceeding the Benchmark by 19.8% annualized. Two of these investments have achieved annualized returns that exceeded the Benchmark by more than 15% per year.

Portfolio Holdings

As of June 30, 2025, we owned 27 investments. The top 10 holdings represented 77.8% 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 18.6% annually based on weighted average assets since our initial investment, exceeding the Benchmark by an average of 10.4% 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.

Top 10 holdings

	Year Acquired	Market Cap When Acquired ($B)	Quarter End Market Cap ($B)	Quarter End Investment Value ($M)	Percent of Net Assets (%)
Arch Capital Group Ltd.	2002	0.4	34.1	767.1	13.1
MSCI Inc.	2007	1.8	44.8	710.5	12.1
Gartner, Inc.	2007	2.3	31.1	505.3	8.6
Kinsale Capital Group, Inc.	2016	0.6	11.3	442.8	7.6
FactSet Research Systems Inc.	2006	2.5	17.0	426.7	7.3
Choice Hotels International, Inc.	1996	0.4	5.9	380.6	6.5
CoStar Group, Inc.	2004	0.7	33.9	375.9	6.4
Primerica, Inc.	2010	1.0	9.1	339.4	5.8
Vail Resorts, Inc.	1997	0.2	5.8	314.3	5.4
Morningstar, Inc.	2005	0.8	13.3	288.8	4.9

Thank you for joining us as fellow shareholders in Baron Growth Fund. We appreciate the confidence you have shown in us, and we will continue to work hard to justify that confidence.

Ronald Baron
CEO
Portfolio Manager

Neal Rosenberg
Portfolio Manager

[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.

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.

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. **Free Cash Flow (FCF) Margin** is a measure of profitability for a business. FCF Margin takes the free cash flow that a business generates and compares it against the revenue they earned during the same period. **Operating Margin** is a company's profit for every dollar of sales after deducting production costs like wages and raw materials but before accounting for interest and taxes.

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).

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Baron Small Cap Fund®

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

Cliff Greenberg
Portfolio Manager

Dear Baron Small Cap Fund Shareholder,

Performance

Baron Small Cap Fund® (the Fund) was up 10.38% (Institutional Shares) in the second quarter. Year to date, the Fund is up 0.36%. The Fund trailed the Russell 2000 Growth Index (the Index) this quarter (by 1.59%) but is modestly ahead for the year (by 0.84%). Small-cap stocks rebounded nicely in the quarter and performed roughly in line with the broader market, but are still meaningfully trailing larger caps this year.

As shown in the first chart, the Fund has beaten the Index over most relevant periods. Over the life of the Fund, we are 382 basis points ahead of the Index per year, which, if you have been a long-time investor in the Fund, you have really benefitted, as that outperformance really adds up. If you would have invested in the Fund at its inception (and thanks to the many who did just that), your investment would now be worth 14.5 times its original value. This means a $10,000 investment would now be worth $145,163. This is 2.7 times more than if you would have invested in a Fund that tracked the Index, which would be worth $54,529.

The quarter started off with a big sell-off. President Trump announced his global tariff regime, and the rates instituted were much higher than expected and considered draconian. China and the European Union responded with reciprocal tariffs as countermeasures and a full-blown trade war seemed imminent. The market was concerned that this would significantly slow the economy and give rise to substantial inflation. The NASDAQ Composite Index, which was booming earlier in the year, entered bear market territory on April 4, falling more than 20% from its all-time high achieved late last year.

But the market quickly found a bottom and rallied strongly over the course of the quarter, finishing at new all-time highs. This occurred for many reasons. First, there was a de-escalation of trade tensions. Though, for the most part, tariff rates have not yet been established, it is believed that ultimate levels will not be so high as to derail economic growth or cause a major spike in prices. Second,

Annualized performance (%) for period ended June 30, 2025[†]

	Fund Retail Shares[1,2]	Fund Institutional Shares[1,2,3]	Russell 2000 Growth Index[1]	Russell 3000 Index[1]
3 Months[4]	10.31	10.38	11.97	10.99
6 Months[4]	0.26	0.36	(0.48)	5.75
1 Year	8.73	8.99	9.73	15.30
3 Years	13.07	13.36	12.38	19.08
5 Years	9.10	9.38	7.42	15.96
10 Years	9.79	10.07	7.14	12.96
15 Years	11.96	12.25	11.06	14.46
Since Inception (9/30/1997)	9.96	10.12	6.30	8.93

the economy has remained resilient, and corporate fundamentals are solid. Third, inflation has remained muted, as reflected in dovish commentary by the Federal Reserve after the recent price reports. And more recently, the U.S. government passed a budget bill that maintained current tax rates and included some additional stimulative tax provisions. All in all, the major concerns that weighed on the market abated and optimism for non-inflationary faster economic growth returned as the prevailing outlook.

The Fund's best stocks were companies that participated in favorable investment trends or posted strong operational results. AI remains the dominant and most compelling market theme. Our largest position, **Vertiv Holdings Co**, a leading global provider of critical products and services for data centers, is a direct play on the build out of AI infrastructure. The stock got clobbered in the first quarter but rallied sharply in the second quarter, as the market became ever more confident in the durability and longevity of the growth ahead.

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 1.05%, 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.

Industrials stocks, particularly those in the aerospace & defense subsector, were very strong in the quarter as well. Innovative new products and geopolitical tensions fueled excitement for players in the sector, and our holdings **Kratos Defense & Security Solutions, Inc.**, **Karman Holdings Inc.**, and **RBC Bearings Incorporated** were beneficiaries. And some of our consumer stocks did particularly well in the quarter. Most have been oversold due to concerns about weak consumer spending, which dissipated as companies announced strong results. Our winners were **ODDITY Tech Ltd.**, **Red Rock Resorts, Inc.**, **The Cheesecake Factory, Inc.**, and **DraftKings Inc.**

Our weakest performers were services-related businesses in Health Care, Financials, and Information Technology (IT). In Health Care, **Neogen Corp**. continued to struggle integrating a large acquisition; **ICON plc** is growing below historic and expected rates because of changing healthcare regulation, which is depressing new drug discovery trials; and **Inspire Medical Systems, Inc.** was down as it is in a product transition cycle and facing some new competition. In Financials, **Kinsale Capital Group, Inc.** and **The Baldwin Insurance Group, Inc.** both reported slower organic growth and were flattish in the quarter, following strong respective performance the prior quarter. Also, **ASGN Incorporated** and **Grid Dynamics Holdings, Inc.** fell as they explained that their clientele remained measured with the pace of "digital transformation" work and hiring because of the uncertain economic outlook.

This was one of the best quarters in the past 25 years for the performance of high beta stocks. Also, more volatile, lower quality stocks performed well this quarter. Our Fund is comprised of holdings that are high quality and have lower betas/volatility, so our characteristics were out of favor this quarter. This hampered our relative performance. Over the years, we note that often in the initial up legs of a rally in small caps the Fund lags somewhat, as these same factors lead. However, the Fund has caught up and outperformed over time, so we are nonplussed. As shown below, the Fund has outperformed a majority of the time in normal and down markets since inception but tends to underperform in periods when markets rise sharply off lows like we witnessed in the second quarter.

Percentage of time Fund outperformed the Russell 2000 Growth Index in different market environments from inception through June 30, 2025

Rolling Return Period	3 Months	1 Year	3 Years	5 Years
Outperformance in Declining Markets (<0%)	77%	93%	100%	100%
Outperformance in Normal Markets (0% to 15%)	69%	71%	69%	74%
Outperformance in Strong Markets (>15%)	43%	35%	36%	33%
Overall	**61%**	**68%**	**68%**	**75%**

Declining, normal, and strong markets are based on the performance of the Russell 2000 Growth Index.
Sources: Baron Capital and FTSE Russell
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.

Top contributors to performance for the quarter

	Contribution to Return (%)
Vertiv Holdings Co	3.97
Guidewire Software, Inc.	1.35
Kratos Defense & Security Solutions, Inc.	1.19
ODDITY Tech Ltd.	1.11
Red Rock Resorts, Inc.	0.90

Vertiv Holdings Co, a leading provider of cooling, power, and IT management solutions for data centers, contributed to performance during the quarter. The stock rallied nearly 80% in the second quarter as the market grew more confident in the durability of data center investment, particularly AI infrastructure, especially amid concerns of a slowdown and tariff impacts just a few months ago. Vertiv is deeply embedded in its customers' technology roadmaps and stands to benefit as AI data centers become increasingly complex and require more advanced power and cooling solutions. Vertiv remains a top holding as it maintains a strong competitive advantage and is well positioned for multi-year growth. We believe Vertiv can grow its EBITDA at strong double-digit rates for the foreseeable future, and the stock can compound from here.

Shares of property and casualty (P&C) insurance software vendor **Guidewire Software, Inc.** rose on strong fiscal Q3 2025 financial results and an upward revision to full-year guidance. After a multi-year transition, we believe 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 600 basis points in the 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%.

Leading defense technology provider **Kratos Defense & Security Solutions, Inc.** contributed to performance during the quarter amid growing momentum across the business. We believe Kratos is well positioned for accelerated multi-year growth, as prior investments in high-growth areas of defense—such as hypersonics, drone engines and small missile engines, space, microwave electronics, and unmanned systems—are translating into larger contract awards. Demand is being driven by increased funding from the Department of Defense and other global militaries. In our view, the current operating environment has never been better, and few companies are as well equipped as Kratos to deliver the advanced solutions required for modern warfare.

Other holdings that rose over 20% in the quarter but added less to the overall returns were Cheesecake Factory, Karman, **The Trade Desk**, **JFrog Ltd.**, **Hinge Health, Inc.**, **indie Semiconductor, Inc.**, **DexCom, Inc.**, DraftKings, and **IDEXX Laboratories, Inc.**

Top detractors from performance for the quarter

	Contribution to Return (%)
Neogen Corp.	(0.69)
ICON plc	(0.65)
ASGN Incorporated	(0.56)
Clearwater Analytics Holdings, Inc.	(0.39)
Grid Dynamics Holdings, Inc.	(0.34)

Shares of **Neogen Corp.**, a leading provider of food and animal safety products, detracted from performance. The company reported weak fiscal Q3 2025 earnings, lowered its fiscal 2025 guidance, and announced that its CEO will step down later this year. Several years of M&A integration and operational hiccups have cratered the stock. We expect near-term volatility to persist but retain long-term conviction. We added to our position as shares have significant upside. The company is selling non-core businesses at goal prices, which is de-levering its balance sheet and should enhance the growth profile. We are hopeful that the company is nearing the end of its transition and will revert to nice growth shortly.

ICON plc is a leading contract research organization serving the global biopharmaceutical industry. Shares declined after another soft quarter, marked by persistent volatility in the clinical development market. Bookings lagged as clients deferred decisions, tightened R&D budgets, and canceled or delayed projects, prompting management to lower 2025 guidance and remove two next-generation COVID-19 vaccine studies with uncertain timelines. Despite industry-wide headwinds, long-term demand for outsourced drug development services remains strong. We expect global pharmaceutical R&D spending to continue growing and believe scaled providers like ICON are well positioned to expand and gain share over time. The shares trade at half their prior multiple offering great value.

ASGN Incorporated is the second largest staffing firm in the U.S., providing IT and professional services across the technology, digital, and creative fields for both commercial and government clients. Customers remain cautious with spending and hesitant to initiate new IT projects without greater clarity on the economic outlook. Earnings per share guidance for the second quarter came in roughly 12% below consensus, reflecting flat revenue expectations and margin pressure tied to the loss of Department of Government Efficiency business and a higher mix of lower-margin federal contracts. Consulting services grew nearly 5% organically and now represent approximately 61% of total revenue, up 400 basis points year-over-year, and that book of business, in our opinion, is worth a higher multiple. We continue to believe that ASGN is well positioned to meet the IT needs of its clients as demand normalizes over time and that the stock is cheap.

The other stock, besides those listed above, that declined over 20% this quarter was **Holley Inc.**

Portfolio Structure and Recent Activity

As of June 30, 2025, the Fund has $4.0 billion under management and owned 54 stocks. The top 10 holdings made up 41.0% of net assets. Turnover was 10.4%[5] as measured over a three–year average. These levels of concentration and holding periods are consistent with recent periods. We like what we own and are patient long-term investors. We do suspect that we will add more names and trade somewhat more actively in the future when the capital markets are more fertile.

Top 10 holdings

	Year Acquired	Quarter End Investment Value ($M)	Percent of Net Assets (%)
Vertiv Holdings Co	2019	288.9	7.3
Guidewire Software, Inc.	2012	206.0	5.2
Kinsale Capital Group, Inc.	2019	205.7	5.2
Gartner, Inc.	2007	171.8	4.3
Red Rock Resorts, Inc.	2016	161.3	4.0
The Baldwin Insurance Group, Inc.	2019	128.4	3.2
Planet Fitness, Inc.	2018	125.4	3.1
TransDigm Group Incorporated	2006	121.7	3.1
Kratos Defense & Security Solutions, Inc.	2020	116.1	2.9
SiteOne Landscape Supply, Inc.	2016	105.8	2.7

The Fund primarily invests in five sectors—Industrials, IT, Consumer Discretionary, Financials and Health Care. These are the sectors where we focus our deep research efforts and have had great historic success finding the special businesses to invest in. We gravitate to companies that have similar characteristics that we have identified over time, across different sectors. This leads to consistency in our approach to research, and results in a balanced and diversified portfolio that performs well in most market environments.

Our Fund varies greatly from the Index, which we are cool with. We are well overweight Industrials (33.0% of net assets) and Consumer Discretionary (15.4%), essentially market weight in IT (21.3%) and Financials (11.7%) and significantly underweight in Health Care (8.9%). We have no or minimal investments in other sectors, such as Consumer Staples, Materials, Energy, Utilities, and Real Estate. The portfolio has been positioned in this fashion for some time and reflects where we find the most compelling investments that meet our high standards.

We are long-term investors. As of June 30, 2025, 33.3% of the Fund's net assets were invested in stocks that we have held for 10 years or more, and another 42.6% in stocks that we have held for 5 to 10 years. In total, over three quarters of our capital is invested in stocks held for 5 years or more. These stocks have returned 22.9%, annualized, since purchase. So, it has paid to hold on to those great stocks for the long term. It's one of our great learnings - it is very hard to find these great investments, and when you do, it really pays to stay invested as long as the companies continue to perform and meet the high standards required to make the investments in the first place.

A significant portion of our Fund is made of what we consider "big winners," which are long-term holdings that have appreciated significantly because of compounding returns. At the end of the quarter, 69.2% of the Fund's net assets were invested in stocks that

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have more than doubled since initial purchase. And, impressively, 22.0% of net assets were invested in stocks that have risen 10 times or more, and another 17.1% in securities that have risen between 5 and 10 times. We believe these "big winners," are a proof point about the efficacy of our approach and execution. We believe our process is repeatable and can continue to produce strong long-term returns.

Top net purchases for the quarter

	Year Acquired	Quarter End Market Cap ($B)	Net Amount Purchased ($M)
Hinge Health, Inc.	2025	4.1	20.1
Liberty Media Corporation - Liberty Live	2023	7.4	14.8
Clearwater Analytics Holdings, Inc.	2021	6.2	11.3
Enpro Inc.	2024	4.0	7.4
nCino Inc.	2023	3.2	6.8

We established a position at **Hinge Health, Inc.** on its May IPO. Hinge Health is a digital health care provider delivering virtual physical therapy, leveraging AI empowered software and hardware designed to deliver a broad spectrum of musculoskeletal (MSK) care. Four times larger than its next competitor, Hinge Health's highly scalable platform facilitates personalized and largely automated MSK care through AI powered motion tracking (TrueMotion) and an FDA approved proprietary nerve simulation wearable device (Enso) supported by a care team of licensed Physical Therapists, MDs, and board-certified coaches.

MSK conditions are a leading driver of health care costs in the U.S., affecting about 40% adults. Only 9% of U.S. adults with MSK pain seek physical therapy treatment. Digital MSK treatment can help address this underserved market of pain management for the untreated, while offering a more cost-effective care option than the surgical alternative, Hinge Health offers a free-to-employee (no copay), easy-to-use, convenient virtual solution.

Using the camera to measure 3D human motion across over 100 unique points on the body, TrueMotion provides real-time form guidance and correction during an exercise session. We view the strength of this proprietary 3D computer vision model as a key competitive advantage for Hinge Health. In addition, the company's preferred status, with more than 50 partners (including the top five national health plans and top three pharmacy benefit managers), provides a distribution moat that can't be replicated by peers. Hinge Health has retained 100% of partners since inception, evidence of the value of its service, and boasts a 12-month client retention rate of 98% for 2024.

Hinge Health started enrolling members in 2016 and currently has 20 million covered employees at 2,250 employers, including 49% of the Fortune 500, with 80% of those coming in the last two years. Hinge Health has experienced rapid growth, and it should generate software-like operating margins as the business reaches scale. 2024 revenues were up 33% to $390 million, with calculated billings growing 42% to $468 million, and the company added almost 600 new customers and reached cash flow breakeven. Growth in Q1 2025 accelerated with revenue up 50%. We are excited to invest in Hinge Health, a demonstrated leader in its space, bringing a compelling value proposition for its key constituents, with strong financial characteristics.

During the quarter we added to our position in **Liberty Media Corporation - Liberty Live**. Liberty Live is a tracking stock that owns a 30% interest in Live Nation. In April, the potential impact of tariffs on consumer spending weighed on the stock, and we took advantage of the volatility to buy shares at what we believe was a compelling valuation. We believe the combination of global artist supply expansion, strong category demand, owned venue development, pricing optimization, and margin expansion will lead to annual double-digit adjusted operting margin growth over the long term. Ultimately, we believe there will be a combination of Live Nation and Liberty Live, resulting in monetization of the fair market value discount that exists at the Liberty Media level. This playbook has been executed successfully by the Liberty Media management team in other tracking-stock structures.

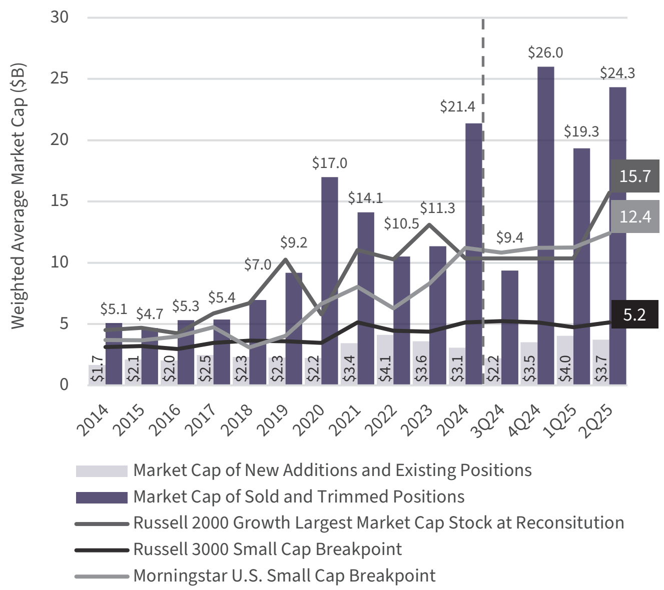
Top net sales for the quarter

	Year Acquired	Market Cap When Acquired ($B)	Quarter End Market Cap or Market Cap When Sold ($B)	Net Amount Sold ($M)
UTZ Brands, Inc.	2020	1.0	1.1	43.4
TransDigm Group Incorporated	2006	1.1	85.4	28.1
Guidewire Software, Inc.	2012	1.4	19.8	26.9
Vertiv Holdings Co	2019	1.0	48.9	26.3
Gartner, Inc.	2007	2.2	31.1	22.3

We sold our position in **UTZ Brands, Inc.** Sales and earnings are growing slower than we had originally expected, with a more intense promotional and competitive environment along with weaker consumer spending. We don't see a reversal of those trends soon, so on to better ideas. We also exited our small position in **IDEXX Laboratories, Inc.**, a $41 billion market cap company, after its stock rallied this quarter. IDEXX was one of our best investments and "big winners," having initially invested in the company nearly 17 years ago when its market cap was just $2 billion. A great example of what the Fund tries to do - find special companies run by exceptional managers and hold them for the long term. We had trimmed our position over the years and sold the last piece this quarter.

We were active in trimming some of our largest market cap positions in the quarter. We availed ourselves with a Redemption in Kind (RIK) program that Baron entered into with two large investment banks after years of study. Rebalancing the portfolio by way of the RIK had the primary benefits of not affecting the market for the securities and avoiding transaction costs in the form of commissions. We sold some shares of **TransDigm Group Incorporated**, **Guidewire Software, Inc.**, **DexCom, Inc.**, **Vertiv Holdings Co,** and **Gartner, Inc.**, all at prices we believe are favorable to right size the positions and raise capital to invest in new small-cap names. This is part of our regular practice to primarily focus on investment returns and also take into account the market cap of our holdings. For the quarter, we sold or trimmed positions in stocks with a weighted average market cap of $24.3 billion, while buying or increasing positions in stocks with a weighted average market cap of only $3.7 billion. As shown in the chart below, this approach of buying small caps and selling out of larger market caps has been consistent over the years.

Purchase and Sale Activity by Market Cap



Sources: Baron Capital, FTSE Russell, and Morningstar Direct.

Outlook

The Dow Jones Industrial Average and NASDAQ Composite Index are at all-time highs at the time of this writing. Usually, big rallies occur when all is clear in the investment world, meaning- improving growth, declining interest rates, supportive fiscal policy, and benign international relations. Not this time, which makes this big move in stocks atypical. There is presently great directional uncertainty based on the effects of aggressive trade policy, excessive levels of government spending and debt, rising geopolitical tensions, and an uncertain path of Federal Reserve policy and independence.

We hear the following from the companies that we invest in: 1) that the economy is presently doing fine and remains resilient even in the face of uncertainty; 2) that growth might be slowing somewhat, but a recession does not seem to be in the offing; 3) that inflation is modest and manageable now; and 4) that some businesses, especially those benefitting from the AI revolution, are expanding rapidly, but most are still growing at rates below historic levels.

The bull case is that, as time passes, uncertainty about the economic environment will wane and corporations will move forward with growth initiatives, resulting in a period of better economic growth. Interest rates will decline on the short end, as the Federal Reserve cuts, spurring faster growth in the troubled housing market. And longer duration interest rates will decline as government tax receipts increase from faster growth to reduce the deficit. All while inflation remains in check. This is certainly possible.

The primary risk to this economic outlook is that inflation will increase. The concerns are: 1) that the tariff levels adopted will be high and prove to be inflationary when implemented; 2) that inflation will be sparked by the decline in the value of the U.S. dollar; and 3) that restrictions on immigration will result in labor inflation. If inflation increases, it will be less likely that short-term interest rates will be cut.

A note about macro… we believe it's important to be aware of economic forces at play and relate our take on the implications for the investment backdrop. However, we know better than to try to predict the possible future outcomes and try to time our investment decisions based on views about the macro. We primarily focus on the fundamentals of the companies in which we invest and believe the success of their results is most determinative to future stock prices.

Though the broader market indexes are at the highs, we see some signs of speculative excess; smaller stocks are still below prior peaks. The Russell 2000 Growth Index is still 12% below the all-time high achieved four years ago and is also about 9% below the recent high in December 2024. We believe small caps in general offer great absolute value given meaningful underperformance versus large caps in recent years and should experience a period of relative outperformance.

We own a portfolio of special, well-managed businesses that have significant competitive advantages and strong growth prospects. We trust that our executives are navigating these uncertain times smartly, as they have done in the past. Most of the businesses are doing well presently, and we expect them to grow faster in the future. In general, these stocks now trade at reasonable valuation levels on present earnings and still offer great long-term opportunity for appreciation. Some of our businesses are struggling, but we believe the issues are short term, and we are holding or increasing our position expecting the companies to get back on track and their stocks to recover.

Thank you for your investment in the Fund. We believe we have a differentiated, time-tested investment approach that enables us to uncover and invest in great small businesses that can succeed and compound for years to come resulting in strong investment returns. I am fortunate to have a great partner in David Goldsmith, Assistant Portfolio Manager of the Fund, in this effort. We are supported by a terrific research team at Baron. We are appreciative of your confidence in us and will continue to work diligently to justify it and achieve great results for us all.

Cliff Greenberg
Portfolio Manager

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† 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 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.

5 Excludes the value of portfolio securities delivered as a result of in-kind redemptions of the Fund's capital shares.

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 U.S. Country factor. Positive exposure indicates high beta stock. Negative exposure indicates low beta stock.

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

QUARTERLY LETTER | JUNE 30, 2025

Baron Focused Growth Fund®

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

David Baron
Co-President
Portfolio Manager

Ron Baron
CEO
Portfolio Manager

Dear Baron Focused Growth Fund Shareholder,

Performance

Baron Focused Growth Fund (the Fund) delivered strong results in the second quarter, with a gain of 12.78% (Institutional Shares) compared with an 11.31% increase for the Russell 2500 Growth Index (the Benchmark). This more than offset first-quarter losses, bringing the Fund's year-to-date gain to 3.82% versus a 0.71% decline for the Benchmark. Outperformance reflected broad-based strength across holdings, supported by resilient company fundamentals despite a backdrop of trade-related uncertainty and moderating economic growth.

While apprehension related to these tariffs remains, most management teams of our portfolio companies expect a minimal impact. They expect to share the additional costs with suppliers, wholesalers, and manufacturers with any impact being further mitigated through selective price increases that are expected to have a minimal effect on demand.

Many of our investments are poised for accelerated revenue growth next year, supported by strategic initiatives undertaken in recent years. While these investments tempered near-term earnings, they are now positioned to drive stronger results. Over 70% of our portfolio companies maintain leverage below targeted levels, providing the flexibility to pursue growth initiatives, acquisitions, and opportunistic share repurchases.

Despite recent gains, more than 40% of our holdings trade below historical valuations. We believe this combination of accelerating growth, strong balance sheets, and attractive valuations offers multiple avenues for potential returns. As a result, we continue to view the portfolio as compelling, with a favorable risk/reward profile over the long term.

Annualized performance (%) for period ended June 30, 2025

	Fund Retail Shares[1,2,3]	Fund Institutional Shares[1,2,3,4]	Russell 2500 Growth Index[1]	Russell 3000 Index[1]
3 Months[5]	12.71	12.78	11.31	10.99
6 Months[5]	3.69	3.82	(0.71)	5.75
1 Year	32.51	32.86	8.81	15.30
3 Year	18.59	18.89	12.05	19.08
5 Year	22.59	22.91	7.50	15.96
10 Year	17.68	17.98	8.53	12.96
15 Year	16.64	16.93	12.08	14.46
Since Conversion (6/30/2008)	13.75	14.02	9.78	11.59
Since Inception (5/31/1996)	13.62	13.78	8.06	9.82

Our portfolio companies continue to generate strong financial results. While there continue 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 material 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.

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 30, 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 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.

We continue to believe these businesses have strong competitive advantages with underpenetrated growth opportunities ahead of them and robust balance sheets to finance 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 increased 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 level, 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 90%, 122%, and 113%, respectively, of the upside when the market increased. When markets declined, the Fund lost less with 63%, 76%, and 82% 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 over 29 years ago, the Fund has increased 13.78% annually. This compares to an 8.06% annualized return for the Benchmark and a 9.82% annualized return for the Russell 3000 Index that measures the performance of the largest 3,000 U.S. companies.**

The Fund's outperformance in the second quarter was primarily due to our **Disruptive Growth** investments. These businesses represented 40.8% of the Fund's net assets and gained 16.06%, adding 680 basis points to performance in the quarter. These companies continued to take market share from competitors as they further penetrated their large addressable market opportunities. Included in this category of investments are S**potify Technology S.A.**, **Tesla, Inc.**, and **On Holding AG**.

Spotify increased 39.5% in the quarter and helped performance by 263 basis points. The company continues to improve its platform by adding new products and making it more beneficial for the consumer. This has resulted in an increase in subscribers along with significant pricing power as the company now owns a third of the digital audio market. The company has started to institute more regular price increases, which is accelerating its revenue and margin growth. Further, the company has been able to increase prices without increasing its churn rate as it continues to improve the platform. Management believes they should be able to grow paying subscribers to a billion over the medium term from 250 million today as well as further accelerate its advertising revenue as its subscribers continue to increase. These pricing and subscriber increases should result in improved gross margins over time and generate strong top- and bottom-line growth. This should result in an increase in cash flow which we believe the company could use to initiate a return of capital program in the near future. We believe Spotify's valuation remains attractive despite its recent stock price increase. Founder & CEO Daniel Eck continues to own a 15% stake in the business, aligning his interest with ours and giving us further confidence in the company's prospects.

Tesla increased 22.6% in the quarter, adding 175 basis points to performance. Tesla designs, manufactures, and sells electric vehicles, related software and components, and solar and energy storage products. The stock increased as the core automotive segment accelerated sequentially, and management indicated they expected a further acceleration later in 2025 as they release new lower-cost models. In addition, the start of autonomous vehicles in Austin in June also helped increase sentiment in the stock. We continue to believe lower interest rates should help sell more cars and halt the company's continuous lowering of prices.

The company's energy storage business continues to grow and is becoming a large contributor to earnings and margin growth. In time, we believe the energy storage business should add significantly to revenue and gross margins and help offset any margin degradation from its automotive business. Tesla continues to generate sufficient gross profit to support a robust product development pipeline. The refreshed Models 3 and Y continue to generate strong demand with improving unit-level economics, and we see further growth coming from newer models that are expected to launch in the second half of 2025. Lastly, Tesla should benefit from its eight-year, $10 billion investment in data and compute, that will allow AI to "train" cars to drive with autonomous technology. Dojo, an AI "training" compute; auto bidder, an automated energy trading platform; the Optimus, a human-like robot; and energy storage, we believe also provide opportunity. We continue to believe Tesla is well positioned for further growth given its strong balance sheet with substantial cash and strong annual cash generation, which should accelerate over the coming years.

Premium footwear and apparel brand On was up 18.6% in the period, contributing 112 bps to performance. The stock has been volatile this year amid tariff uncertainty and potential policy changes under President Trump that could impact both On's margin structure and broader consumer spending. Despite these headwinds, we believe On is well equipped to navigate a higher-tariff environment. Its strong brand and premium positioning should enable it to offset tariff exposure through selective price increases, while demand for its products remains resilient. We believe On has a long growth runway, supported by expansions across categories, retail outlets, and geographies, including underserved markets such as Asia.

Our **Core Growth** investments, whose data and services are ingrained in their customer workflow and therefore have more recurring revenue and more predictable earnings also contributed to the excess returns in the quarter. Included in this category of investments are **Guidewire Software, Inc.** and **IDEXX Laboratories, Inc.**

Property and casualty (P&C) insurance software vendor Guidewire was up 25.7% for the quarter, adding 127 basis points to performance. After a multi-year transition period, the company's cloud transition is substantially complete and insurers are upgrading to the cloud at an accelerated rate. We believe that cloud will be the sole path forward, with annual recurring revenue (ARR) benefiting from new customer wins and migrations of the existing customer base to Insurance Suite Cloud. We also expect the company to shift R&D resources to product development from infrastructure investment, which should help drive cross-sales into its sticky installed base and potentially accelerate ARR over time. We are encouraged by Guidewire's subscription gross margin expansion, which improved by approximately 520 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%.

Veterinary diagnostics leader IDEXX appreciated 27.9% for the quarter, contributing 134 basis points to performance. The company reported better-than-expected financial results in the period. Foot traffic to veterinary clinics in the U.S. remains under pressure, which has continued to hamper aggregate revenue growth. Despite macroeconomic challenges, IDEXX's excellent execution has enabled the company to maintain strong performance. We believe competitive trends are outstanding, and we expect new proprietary innovations and field sales force expansion to be meaningful contributors to growth in 2025. We see increasing evidence that long-term secular trends around pet ownership and pet care spending have structurally accelerated, which should help support IDEXX's long-term growth rate.

Strength in Disruptive and Core Growth was held back somewhat by high single-digit gains in **Real/Irreplaceable Assets** and **Financials**. Our Real/Irreplaceable Assets holdings, which comprised 19.6% of net assets, trailed the Benchmark 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 category underperformance. This included companies such as **Vail Resorts, Inc.** and **Choice Hotels International, Inc.**

Shares of global ski resort operator Vail declined modestly in the second quarter, hurting performance by 18 basis points. This was due to concerns about slowing visitation levels and the potential impact on early season pass sales for the upcoming ski season. The return of former CEO Rob Katz added uncertainty about the company's future strategic direction as well, further pressuring shares. We remain positive about Vail's prospects. The company continues to deliver consistent revenue and earnings, with roughly a third of revenue already secured in advance of the season, providing strong financial visibility and enabling more effective operational and strategic planning. We view Katz's return positively and expect his emphasis on guest experience, pricing, and targeted acquisitions to reignite growth. 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. Vail still has a well-covered mid-single-digit dividend yield and a strong balance sheet that supports strategic growth through M&A, reinvestment in the portfolio, and share repurchases. As a result, we see an attractive long-term opportunity in the stock with the potential for multiple expansion from multi-year lows. The CFO recently bought stock personally at current levels, giving us further confidence in our view that the stock is attractively valued.

Shares of Choice, a global franchisor of economy and midscale hotels across a portfolio of well-known brands declined 4.49% and hurt performance by 14 basis points. Shares fell during the quarter as investors were concerned with slowing revenue-per-available-room (RevPAR) growth. However, management has steadily reduced Choice's exposure to RevPAR fluctuations by expanding higher-margin, non-RevPAR fee income as it leverages the company's 70 million member loyalty database to secure additional partnerships with credit card companies, timeshare operators, and casinos. Choice is also adding higher-revenue units at a low single-digit rate, with a focus on larger room sizes, premium royalty rates, and RevPAR levels that exceed the current portfolio. We expect revenue growth to accelerate as a robust pipeline of new projects come online and Choice captures synergies from its Radisson Americas acquisition by increasing traffic to those properties and narrowing the royalty-rate gap between Radisson and legacy Choice brands. With a strong balance sheet, Choice is well positioned to return capital to shareholders through dividends and share repurchases.

Within Financials, modest declines from specialty insurer **Arch Capital Group Ltd.** and investment management tools provider **FactSet Research Systems Inc.** weighed on performance, overshadowing strong performance from leading online brokerage house **Interactive Brokers Group, Inc.** Arch gave back some of its gains from earlier in the year, following slower growth and broader weakness across insurance stocks during the second quarter. In the first quarter, premium growth came in below forecasts and slowed relative to the prior quarter due to rising competition and lower pricing in certain business lines. Even so, earnings beat expectations due to stronger underwriting margins and lower tax rates. We continue to own the stock due to Arch's strong management team and our expectation of significant growth in earnings and book value over time.

FactSet's shares detracted from performance despite above-consensus fiscal Q3 earnings and upbeat commentary from management about prospects for the remainder of fiscal 2025. The stock experienced some volatility following the announcement that longtime CEO Phil Snow will retire later this year. However, remarks on a recent earnings call emphasized that this was a personal decision unrelated to company performance. We retain long-term conviction in FactSet given its large addressable market, strong execution across both new product development and financial results, and robust free cash flow generation.

Total returns by investment type for the quarter

	Percent of Net Assets (%)	Total Return (%)	Contribution to Return (%)
Disruptive Growth	**40.8**	**16.04**	**6.80**
Spotify Technology S.A.	7.9	39.51	2.63
FIGS, Inc.	1.9	22.88	0.35
Tesla, Inc.	7.6	22.57	1.75
Samsara Inc.	1.1	21.48	0.12
Shopify Inc.	3.0	20.81	0.61
On Holding AG	5.0	18.62	1.12
Iridium Communications Inc.	1.0	10.97	0.06
ANSYS, Inc.	1.4	10.95	0.16
Neuralink Corp.	0.2	–	–
Space Exploration Technologies Corp.	9.4	–	–
X.AI Holdings Corp.	2.4	–	–
Core Growth	**22.2**	**14.82**	**3.43**
IDEXX Laboratories, Inc.	5.0	27.91	1.34
Guidewire Software, Inc.	5.1	25.67	1.27
Live Nation Entertainment, Inc.	1.6	15.85	0.25
Birkenstock Holding plc	3.6	7.62	0.38
Verisk Analytics, Inc.	2.6	4.86	0.12
CoStar Group, Inc.	4.2	1.69	0.09
Krispy Kreme, Inc.	–	(13.53)	(0.02)
Russell 2500 Growth Index		**11.31**	
Real/Irreplaceable Assets	**19.6**	**9.20**	**1.57**
Red Rock Resorts, Inc.	4.1	23.08	0.84
Hyatt Hotels Corporation	4.3	14.18	0.61
Las Vegas Sands Corporation	1.5	13.55	0.35
Airbnb, Inc.	0.7	10.78	0.09
Toll Brothers, Inc.	1.2	6.78	0.08
Vail Resorts, Inc.	3.9	(0.34)	(0.18)
Choice Hotels International, Inc.	3.1	(4.41)	(0.14)
Douglas Emmett, Inc.	0.9	(4.81)	(0.09)
Financials	**15.2**	**8.29**	**1.24**
Interactive Brokers Group, Inc.	4.7	34.05	1.40
Jefferies Financial Group Inc.	1.0	4.09	0.07
MSCI Inc.	4.1	2.41	0.09
FactSet Research Systems Inc.	2.2	(1.38)	(0.07)
Arch Capital Group Ltd.	3.2	(5.33)	(0.25)
Cash and Cash Equivalents	**2.2**	**–**	**0.02**
Fees	**–**	**(0.29)**	**(0.29)**
Total	**100.0***	**12.77****	**12.77****

* *Individual weights may not sum to displayed total due to rounding.*
** *Represents the blended return of all share classes of the Fund.*
Sources: Baron Capital, FTSE Russell, and FactSet PA.

Top contributors to performance for the quarter

	Year Acquired	Market Cap When Acquired ($B)	Quarter End Market Cap ($B)	Total Return (%)	Contribution to Return (%)
Spotify Technology S.A.	2020	45.4	157.3	39.51	2.63
Tesla, Inc.	2014	31.2	1,023.2	22.57	1.75
Interactive Brokers Group, Inc.	2023	33.8	94.3	34.05	1.40
IDEXX Laboratories, Inc.	2022	36.5	43.1	27.91	1.34
Guidewire Software, Inc.	2013	2.7	19.8	25.67	1.27

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 of Spotify were up, largely due to solid underlying results and the company's durability amid an unpredictable macroeconomic environment. 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 recent price hikes. Spotify remains a sticky subscription product with relative resilience in times of consumer uncertainty. 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 continue to view Spotify as a long-term winner in music streaming with potential to reach 1 billion-plus monthly active users.

Tesla, Inc. designs, manufactures, and sells electric vehicles (EVs), solar products, and energy storage solutions, while also developing advanced real-world AI technologies. Despite ongoing macroeconomic challenges and regulatory complexities, shares climbed after Tesla completed a limited commercial rollout of its highly anticipated robotaxi business in Austin—following more than a decade of development and billions of dollars in investment. This milestone signals a potentially transformative shift in the automotive industry and opens up a sizable new market beyond the company's core operations. Investor sentiment also improved after Elon Musk stepped back from government-related engagements, boosting confidence in Tesla's near-term execution. Tesla introduced a refreshed Model Y globally, featuring design and performance upgrades, and outlined plans to unveil new mass-market models starting next quarter. Meanwhile, the company is progressing toward scaling production of its humanoid robot, adding another dimension to its long-term growth story.

Leading online brokerage house **Interactive Brokers Group, Inc.** contributed to performance, driven by strong quarterly results and a rebound in equity markets. The quarter began with considerable turbulence following Liberation Day in early April, when President Trump announced sweeping tariffs on most U.S. trading partners. This initially triggered recession fears and led to a selloff in capital markets stocks, including retail brokers and alternative asset managers. However, as the quarter progressed, many of these tariffs were either paused or rolled back as the Trump administration pursued trade deals. Markets rebounded sharply in May and June, with the S&P 500 and NASDAQ Composite both ending the quarter at record highs. This recovery supported robust business momentum at Interactive Brokers, with continued growth in client accounts and assets under management, elevated trading volumes, and a rebound in margin balances. We continue to own the stock due to its long-term earnings potential and its consistent 30%-plus account growth rate.

Top detractors from performance for the quarter

	Year Acquired	Market Cap When Acquired ($B)	Quarter End Market Cap ($B)	Total Return (%)	Contribution to Return (%)
Arch Capital Group Ltd.	2003	0.9	34.1	(5.33)	(0.25)
Vail Resorts, Inc.	2013	2.3	5.8	(0.34)	(0.18)
Choice Hotels International, Inc.	2010	1.9	5.9	(4.41)	(0.14)
Douglas Emmett, Inc.	2022	2.8	2.5	(4.81)	(0.09)
FactSet Research Systems Inc.	2008	2.5	17.0	(1.38)	(0.07)

Specialty insurer **Arch Capital Group Ltd.** gave back some of its gains from earlier in the year, following slower growth and broader weakness across insurance stocks during the second quarter. In the first quarter, premium growth came in below forecasts and slowed relative to the prior quarter due to rising competition and lower pricing in certain business lines. Even so, earnings beat expectations due to stronger underwriting margins and a lower tax rate. We continue to own the stock due to Arch's strong management team and our expectation of significant growth in earnings and book value over time.

Global ski resort company **Vail Resorts, Inc.** detracted from performance on investor concerns about slowing visitation levels and the potential impact on early season pass sales for the upcoming ski season. The return of former CEO Rob Katz added uncertainty about the company's future strategic direction, further pressuring shares. We remain investors. Vail continues to deliver consistent revenue and earnings, with roughly a third of revenue already secured in advance of the season, providing strong financial visibility and enabling more effective operational and strategic planning. We view Katz's return positively and expect his emphasis on guest experience, pricing, and targeted acquisitions to reignite growth. Combined with a well-covered mid-single-digit dividend yield and a strong balance sheet that supports strategic growth through M&A, reinvestment in the portfolio, and share repurchases, we see an attractive long-term opportunity and the potential for multiple expansion from multi-year lows.

Choice Hotels International, Inc. is a global franchisor of economy and midscale hotels across a portfolio of well-known brands. Shares fell during the quarter as investors focused on slowing RevPAR growth. However, management has steadily reduced Choice's exposure to RevPAR fluctuations by expanding higher-margin, non-RevPAR fee income as it leverages the company's 70-million-member loyalty database to secure additional partnerships with credit card companies, timeshare operators, and casinos. Choice is also adding higher-revenue units at a low single-digit rate, with a focus on larger room sizes, premium royalty rates, and RevPAR levels that exceed the current portfolio. We expect revenue growth to accelerate as a robust pipeline of new projects come online and Choice captures synergies from its Radisson Americas acquisition by increasing traffic to those properties and narrowing the royalty-rate gap between Radisson and legacy Choice brands. With a strong balance sheet, Choice is well positioned to return capital to shareholders through dividends and share repurchases.

Investment Strategy and Portfolio Structure

We remain steadfast in our commitment to long-term investing in competitively advantaged growth businesses. We continue to run a balanced portfolio of uncorrelated businesses to help reduce portfolio risk while generating strong excess returns over time. We believe this portfolio strategy is an effective way to protect and increase the purchasing power of your savings. While there will always be market volatility, we believe we can reduce that volatility via this portfolio that is approximately 80% as volatile as the market. This is due to the balanced nature of the portfolio as seen below with approximately 40% invested in high-growth disruptive investments that can generate revenue growth of as much as 20% to 30%; 20% of the portfolio in real irreplaceable assets that trade at significant discounts to replacement cost and where they would sell to private equity or another strategic buyer; and 15% in financial data businesses that have recurring revenue and earnings given the embedded nature of their products in the workflow of their customers; and the balance in core double-digit revenue growing businesses that are more mature in their lifecycle and generate earnings growth while using excess cash for dividend increases, share buybacks, and additional investments in the business in order to accelerate growth further.

As of June 30, 2025, the Fund owned 30 investments. From a quality standpoint, the Fund's investments have generally stronger long-term sales growth; higher EBITDA, operating, and free-cash-flow margins; and stronger returns on invested capital than the Benchmark with less financial leverage. We believe these metrics help limit risk in this focused portfolio and are why the portfolio has generated such 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 36.9% of net assets in this sector versus 14.1% 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 4.5% cumulative exposure to these sectors. The Fund also has lower exposure to Health Care stocks at 5.2% versus 20.4% 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.

Disruptive Growth Companies

	Percent of Net Assets (%)	Year Acquired	Cumulative Return Since Date Acquired (%)
Space Exploration Technologies Corp.	9.4	2017	1,237.8
Spotify Technology S.A.	7.9	2020	220.7
Tesla, Inc.	7.6	2014	1,802.8
On Holding AG	5.0	2023	63.2
Shopify Inc.	3.0	2022	231.4
X.AI Holdings Corp.	2.4	2024	205.4
FIGS, Inc.	1.9	2022	(38.4)
ANSYS, Inc.	1.4	2022	44.2
Samsara Inc.	1.1	2025	16.6
Iridium Communications Inc.	1.0	2014	361.0
Neuralink Corp.	0.2	2025	0.0

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 EV 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.

Core Growth Investments

	Percent of Net Assets (%)	Year Acquired	Cumulative Return Since Date Acquired (%)
Guidewire Software, Inc.	5.1	2013	409.4
IDEXX Laboratories, Inc.	5.0	2022	21.5
CoStar Group, Inc.	4.2	2014	275.7
Birkenstock Holding plc	3.6	2023	22.3
Verisk Analytics, Inc.	2.6	2022	83.0
Live Nation Entertainment, Inc.	1.6	2024	7.8

Core Growth investments, steady growers that continually invest in their businesses for growth and return excess free-cash-flow to shareholders, represented 22.2% 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.

Investments with Real/Irreplaceable Assets

	Percent of Net Assets (%)	Year Acquired	Cumulative Return Since Date Acquired (%)
Hyatt Hotels Corporation	4.3	2009	414.3
Red Rock Resorts, Inc.	4.1	2017	201.0
Vail Resorts, Inc.	3.9	2013	239.3
Choice Hotels International, Inc.	3.1	2010	539.6
Las Vegas Sands Corporation	1.5	2023	(1.1)
Toll Brothers, Inc.	1.2	2025	5.7
Douglas Emmett, Inc.	0.9	2022	8.4
Airbnb, Inc.	0.7	2024	15.4

Companies that own what we believe are **Real/Irreplaceable Assets** represented 19.6% 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.

Financials Investments

	Percent of Net Assets (%)	Year Acquired	Cumulative Return Since Date Acquired (%)
Interactive Brokers Group, Inc.	4.7	2023	180.6
MSCI Inc.	4.1	2021	(8.3)
Arch Capital Group Ltd.	3.2	2003	2,529.5
FactSet Research Systems Inc.	2.2	2008	945.1
Jefferies Financial Group Inc.	1.0	2023	89.8

Financials investments accounted for 15.2% 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 June 30, 2025, the Fund's top 10 holdings represented 57.2% of net assets. Many of these investments have been successful and were purchased when they were much smaller businesses. We believe they continue to offer significant appreciation potential, although we cannot guarantee that will be the case.

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

Top 10 holdings

	Year Acquired	Market Cap When Acquired ($B)	Quarter End Market Cap ($B)	Quarter End Investment Value ($M)	Percent of Net Assets (%)
Space Exploration Technologies Corp.	2017	21.6	349.1	240.5	9.4
Spotify Technology S.A.	2020	45.4	157.3	201.0	7.9
Tesla, Inc.	2014	31.2	1,023.2	195.4	7.6
Guidewire Software, Inc.	2013	2.7	19.8	131.0	5.1
IDEXX Laboratories, Inc.	2022	36.5	43.1	127.9	5.0
On Holding AG	2023	10.1	16.9	126.7	5.0
Interactive Brokers Group, Inc.	2023	33.8	94.3	119.7	4.7
Hyatt Hotels Corporation	2009	4.2	13.3	109.1	4.3
CoStar Group, Inc.	2014	6.2	33.9	107.5	4.2
Red Rock Resorts, Inc.	2017	2.6	5.5	104.1	4.1

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
Portfolio Manager

David Baron
Co-President
Portfolio Manager

[1] Reflects the actual fees and expenses that were charged when the Fund was a partnership. The predecessor partnership charged a 15% performance fee through 2003 after reaching a certain performance benchmark. If the annual returns for the Fund did not reflect the performance fees for the years the predecessor partnership charged a performance fee, the returns would be higher. The Fund's shareholders will not be charged a performance fee. The performance is only for the periods before the Fund's registration statement was effective, which was December 31, 2008. During those periods, the predecessor partnership was not registered under the Investment Company Act of 1940 and was not subject to its requirements or the requirements of the Internal Revenue Code relating to registered investment companies, which, if it were, might have adversely affected its performance.

[2] The **Russell 2500™ Growth Index** measures the performance of small to medium-sized companies that are classified as growth. The **Russell 3000® Index** measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market, as of the most recent reconstitution. All rights in the FTSE Russell Index (the "Index") vest in the relevant LSE Group company which owns the Index. Russell® is a trademark of the relevant LSE Group company and is used by any other LSE Group company under license. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. The Fund includes reinvestment of dividends, net of withholding taxes, while the Russell 2500™ Growth and Russell 3000® Indexes include reinvestment of dividends before taxes. Reinvestment of dividends positively impacts the performance results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly in an index.

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

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

[5] Not annualized.

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. **EBITDA**, short for earnings before interest, taxes, depreciation, and amortization, is an alternate measure of profitability to net income. It's used to assess a company's profitability and financial performance. **Free cash flow (FCF) margin** is a measure of profitability for a business. FCF Margin takes the free cash flow that a business generates and compares it against the revenue they earned during the same period. **Long-term sales growth** refers to the increase in a company's sales over a particular period of time. It is a metric that companies can use to identify the rate at which their sales revenue increases over time. **Operating margin** is a company's profit for every dollar of sales after deducting production costs like wages and raw materials but before accounting for interest and taxes. **Returns 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 CAPITAL

QUARTERLY LETTER | JUNE 30, 2025

Baron Asset Fund®

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

Andrew Peck
Portfolio Manager

Dear Baron Asset Fund Shareholder,

Performance

U.S. equity markets rose against the backdrop of heightened volatility stemming from U.S. tariff policies and war in the Middle East. Risk-off sentiment in early April was driven by President Trump's "Liberation Day" tariff announcement, which was viewed as more severe than expected. The S&P 500 Index fell more than 12% over the next four trading days. After bottoming on April 8, U.S. equities rebounded largely in response to favorable trade developments. Other positive market catalysts included generally strong corporate earnings, dovish signals from the Federal Reserve, and ongoing momentum around the "AI trade." By the quarter's end, many market indexes were at or near record highs.

After generating solid outperformance during the "risk off" environment that characterized last quarter's market, Baron Asset Fund® (the Fund) failed to keep pace as the Russell Midcap Growth Index (the Index) rebounded sharply from its April 8 low to the end of June. The Fund was up 7.85% (Institutional Shares) in the second quarter, trailing the Index, which appreciated 18.20%.

Annualized performance (%) for period ended June 30, 2025

	Fund Retail Shares[1,2]	Fund Institutional Shares[1,2,3]	Russell Midcap Growth Index[1]	Russell 3000 Index[1]
3 Months[5]	7.78	7.85	18.20	10.99
6 Months[5]	4.60	4.73	9.79	5.75
1 Year	13.13	13.42	26.49	15.30
3 Years	14.08	14.37	21.46	19.08
5 Years	7.29	7.56	12.65	15.96
10 Years	10.35	10.64	12.13	12.96
15 Years	12.60	12.90	14.27	14.46
Since Inception (6/12/1987)	11.21	11.33	10.63[4]	10.49

The Fund invests in high-quality companies benefitting from long-term secular growth drivers with highly visible and growing earnings streams that trade at valuations we believe will allow us to compound our investments at mid-teens rates. The Fund's investment approach results in a portfolio that is meaningfully underexposed to stocks with certain style factors - most notably stocks characterized by high levels of Beta, Residual Volatility, and Momentum. These are the types of stocks that fared best amid this quarter's "risk on" market environment. In fact, the Beta factor experienced its second-best three-month period of performance in the last quarter century.

A second key contributor to the Fund's underperformance stemmed from not owning Palantir Technologies Inc., a software company focused on big data analytics, which rose 55% during the quarter. Palantir's impact on relative performance (-239 basis points) was over six times higher than we have seen historically for any single security unique to the Index. The company did not meet our investment criteria. At quarter end, Palantir was valued at approximately 225 times its expected 2025 earnings with a market cap exceeding $300 billion.

After multiple quarters of strong gains, Palantir's weight exceeded 8% in the Index prior to its removal on June 27 following the conclusion of the latest Index rebalance. No security has approached Palantir's Index weight over the last 25-plus years - the highest previous weight for a security was 4.2%, achieved by VIAVI Solutions (formerly JDS Uniphase) in early 2000 amidst the dotcom bubble. The company's share price has since fallen approximately 98%.

These same two issues - the Fund's style biases and not owning a small number of technology stocks - has had a meaningful negative impact on the Fund's relative underperformance versus the Index during the past two and a half years (since 12/31/2022), as the Index reached new highs in the post-COVID era.

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 1.29% 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.

About half the underperformance during this period is attributable to style-related headwinds, as its investment approach left the Fund consistently underexposed to stocks characterized by high-levels of Beta, Residual Volatility and Momentum. Underexposure to these three factors accounted for almost 90% of the overall impact from styles (-14.78%) during this period.

Most of the remaining underperformance during this period can be attributed to stock specific factors (-15.44%), of which three-quarters came from not owning just two stocks - Palantir and AppLovin Corporation, another highly valued technology company that did not meet our investment criteria. Shares of Palantir and AppLovin gained 1,936% and 3,070%, respectively, in this period. The two stocks started the period accounting for only 0.4% of the Index and, prior to their exit from the Index on June 27, 2025, had combined weight of nearly 11%.

As discussed, poor stock selection in Information Technology (IT) was exacerbated by not owning the largest company in the Index, Palantir. Modest declines from the Fund's sizable positions in **Gartner, Inc.** and **Roper Technologies, Inc.** also contributed to relative weakness in the sector. Syndicated research provider Gartner was negatively impacted by reductions in government spending in its public sector business. We estimate U.S. federal exposure accounts for 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 federal budget scrutiny remains high, we believe Gartner's services deliver significant value to users, including the potential for hard dollar savings. Its private sector business appears well positioned for sustained growth, and management is adept at exercising cost controls to support margins and free cash flow generation. The company's balance sheet is in excellent shape, and we expect management to take advantage of this drawdown through aggressive share repurchases.

Roper owns a portfolio of businesses with market-leading software and technology-enabled products with the goal of compounding cash flow over time. The company has a high percentage of recurring revenue and maintains high cash returns on investment in defensible niche businesses. After outperforming in the first quarter when investors rotated into more defensible growth businesses in a period of heightened market volatility, Roper's shares underperformed as higher growth segments of the market recovered swiftly.

The remaining underperformance came from disappointing stock selection in Financials, Industrials, Communication Services, and Real Estate. Specialty insurer **Arch Capital Group Ltd.** was the principal detractor in Financials after reporting premium growth below Street expectations and slowed from the prior quarter due to increased competition and lower pricing in certain business lines. Nevertheless, earnings beat expectations due to better underwriting margins and a lower tax rate. We continue to own the stock given Arch's strong management team and our expectation of significant growth in earnings and book value.

Weakness in Industrials was broad based. **Space Exploration Technologies Corp.** (SpaceX) has been a consistent contributor to our performance over the years. During the quarter, the company's shares were unchanged, maintaining their value in a rising market. We value SpaceX using prices of recent transactions. **Verisk Analytics, Inc.** stock lagged alongside other defensive stocks during the quarter. There was no materially negative company specific news in the period. Verisk reported solid Q1 2025 earnings and CEO Lee Shavel sounded upbeat about the company's growth potential. We maintain conviction in the competitive positioning, long-term growth, margin expansion, and capital deployment prospects for the business.

Performance in Communication Services was hindered by another private investment, AI and social media company **X.AI Holdings Corp.** (xAI), whose share price was unchanged in the period, causing a 50-plus basis point drag on relative performance. We also value xAI based on recent share transactions. Real estate information and marketing services platform **CoStar Group, Inc.** was responsible for most of the relative losses in Real Estate. The company's recent performance has been tempered by significant investment in its residential product, Homes.com, and mixed net new sales. We remain encouraged by growth in both traffic and brand awareness for the new product and are optimistic that momentum will build as the company expands its dedicated residential sales force, enhances its customer targeting, and potentially benefits from changes in Multiple Listing Service practices. Growth in CoStar's non-residential business also appears poised to accelerate as the sales team refocuses on core offerings—a trend we expect to continue as headcount increases by 20% or more this year. We believe the value of CoStar's core non-residential business alone exceeds the current share price of the stock, suggesting that investors are ascribing little value to the long-term residential opportunity.

Somewhat offsetting the above were favorable impacts from active sector weights, which contributed approximately 125 basis points of relative gains. The Fund benefited from being underexposed to the lagging Energy, Consumer Discretionary, Consumer Staples, and Materials sectors.

Top contributors to performance for the quarter

	Year Acquired	Contribution to Return (%)
IDEXX Laboratories, Inc.	2006	1.55
Amphenol Corporation	2019	1.47
Guidewire Software, Inc.	2013	1.46
Quanta Services, Inc.	2023	0.96
Spotify Technology S.A.	2024	0.57

Shares of veterinary diagnostics leader **IDEXX Laboratories, Inc.** gained after reporting better-than-expected financial results. Although foot traffic into veterinary clinics in the U.S. remained depressed, management's excellent execution enabled the company to maintain strong performance. We believe IDEXX's dominant competitive position remains unchallenged, and we expect new proprietary testing equipment and diagnostic solutions will meaningfully contribute to growth in 2025 and beyond. We see increasing evidence that long-term secular trends around pet ownership and pet care spending have structurally accelerated. We expect this to lead to a reacceleration in veterinary visits, which should support IDEXX's long-term growth rate.

Amphenol Corporation, a leading global supplier of advanced interconnect systems, contributed to performance during the quarter. The company reported robust results in April, with organic growth exceeding its prior guidance primarily because of strength in its data center end market. Shares continued to perform well as investors became more optimistic about increased capital spending on data infrastructure, partly driven by AI-related investments. We view Amphenol as a best-in-class industrial technology company with a strong track record of creating value through both organic and inorganic growth over time.

Shares of property and casualty (P&C) insurance software vendor **Guidewire Software, Inc.** gained on strong fiscal Q3 2025 financial results and an upward revision to its full-year earnings guidance. The company's annual recurring revenue (ARR) continued to benefit from new customer wins and migrations of its existing customer base to InsuranceSuite Cloud. We expect the company to shift R&D resources from infrastructure investment to product development, which should help drive cross-sales into its sticky installed base and potentially accelerate ARR growth over time. We are further encouraged by Guidewire's subscription-based gross margin expansion, which improved by more than 600 basis points in the most recently reported quarter. We believe Guidewire will be the critical software vendor for the global P&C insurance industry, capturing a large share of a potential $30 billion total addressable market while generating margins above 40%.

Top detractors from performance for the quarter

	Year Acquired	Contribution to Return (%)
Arch Capital Group Ltd.	2003	(0.28)
The Cooper Companies, Inc.	2014	(0.24)
Bio-Techne Corporation	2015	(0.23)
Gartner, Inc.	2007	(0.23)
Mettler-Toledo International Inc.	2008	(0.22)

Specialty insurer **Arch Capital Group Ltd.** gave back some of its gains from earlier in the year, following slower growth and broader weakness across insurance stocks during the second quarter. In the company's first quarter, premium growth fell below Wall Street forecasts and slowed relative to the prior quarter because of rising competition and lower pricing in certain business lines. Even so, earnings exceeded expectations because of stronger underwriting margins and a lower corporate tax rate. We continue to hold shares because of Arch's strong management team and our expectation for significant growth in earnings and book value per share over time.

The Cooper Companies, Inc. (CooperCompanies) is a global medical device company with two business units: CooperVision, a leading manufacturer of soft contact lenses; and CooperSurgical, focused on women's health care and fertility. The stock detracted from performance following mixed fiscal Q2 results. While CooperCompanies' 7% organic growth rate exceeded expectations, the results were overshadowed by management's acknowledgment of softening contact lens end markets due to macroeconomic headwinds and tighter channel inventories across the industry. Still, CooperCompanies maintained its expectation to outpace the market by approximately 150 basis points in fiscal 2025, driven by robust contact lens demand and stable pricing. Management cited ongoing margin expansion as another bright spot and projected continued strength throughout the year due to efficiency gains and favorable product mix. The global contact lens market benefits from long-term secular trends, including sustained demand for premium lenses, and CooperCompanies, which offers the industry's broadest portfolio of specialty lenses, continues to gain share.

Bio-Techne Corporation is a leading developer and manufacturer of reagents, instruments, and services for the life sciences research, diagnostics, and bioprocessing markets. Its stock fell due to weakness in academic research spending following cuts to National Institutes of Health (NIH) funding. The U.S. academic research market accounts for roughly 12% of Bio-Techne's revenue, with about half of that tied to NIH grants. Broader biotechnology funding has also been soft amid policy uncertainty and weak capital markets. As a result, management guided to low single-digit organic revenue growth for the June quarter, down from its prior expectation of high single-digit growth. While the challenging environment for U.S. academic research may persist in the near-term, we retain conviction in the stock. Bio-Techne's overall exposure to this end market remains limited, and we believe the current valuation is attractive.

Portfolio Structure

As of June 30, 2025, the Fund held 53 positions. The Fund's 10 largest holdings represented 49.1% of net assets, and the 20 largest represented 71.5%. The Fund's largest weighting was in the IT sector at 27.6% of net assets. This sector includes application software companies, IT consulting firms, and electronic components companies. The Fund held 22.3% of its net assets in the Industrials sector, which includes investments in research & consulting services businesses, aerospace & defense firms, and construction & engineering companies. The Fund held 14.3% 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 12.9% and Consumer Discretionary at 7.8%.

As the chart below shows, the Fund's largest investments have mostly been owned for significant periods – 6 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.

MID CAP

Top 10 holdings

	Year Acquired	Market Cap When Acquired ($B)	Quarter End Market Cap ($B)	Quarter End Investment Value ($M)	Percent of Net Assets (%)
Gartner, Inc.	2007	2.9	31.1	295.2	7.2
Guidewire Software, Inc.	2013	2.8	19.8	265.3	6.5
IDEXX Laboratories, Inc.	2006	2.5	43.1	261.5	6.4
Verisk Analytics, Inc.	2009	4.0	43.6	224.7	5.5
Space Exploration Technologies Corp.	2020	47.0	349.1	208.2	5.1
CoStar Group, Inc.	2016	5.0	33.9	173.4	4.2
Arch Capital Group Ltd.	2003	0.9	34.1	171.8	4.2
Amphenol Corporation	2019	26.2	119.4	161.3	3.9
Roper Technologies, Inc.	2011	7.4	60.9	129.3	3.1
Fair Isaac Corporation	2020	12.1	44.5	128.0	3.1

Recent Activity

Top net purchases for the quarter

	Quarter End Market Cap ($B)	Net Amount Purchased ($M)
Samsara Inc.	22.6	22.0
LPL Financial Holdings Inc.	30.0	17.2
DraftKings Inc.	21.3	7.5
MSCI Inc.	44.8	3.4
Procore Technologies, Inc.	10.2	1.7

Samsara Inc. was a new addition to the Fund during the quarter. The company provides a cloud-based software platform for commercial vehicle telematics, video-based driver safety, driver workflow automation, and industrial equipment monitoring. Its software collects and analyzes data from sensors and cameras installed in its customers' commercial trucks, construction equipment, warehouses, and other assets, helping companies visualize and improve the state of their operations. More than 20,000 customers in the transportation, field services, construction, utilities, and other industries have adopted Samsara, and the company recently became one of the fastest software companies ever to reach $1.5 billion in ARR.

Samsara has been winning share from competitors in the $51 billion market for connected fleet software because of its superior cloud native architecture, ability to address multiple use cases in a single platform, and its rapid product release cycle. Importantly, as Samsara continues to expand its connected asset base, we believe it is building an unmatched data asset that drives better outcomes for its customers relative to its competitors. Capturing more than 14 trillion data points from over 80 billion miles driven spanning roughly 99% of major U.S. roads, Samsara uses AI to help companies optimize their vehicle routes, prevent accidents, improve asset utilization, conduct predictive maintenance, and lower insurance premiums. In fiscal year 2025, across its customer base, the company prevented 250,000 accidents and reduced carbon emissions by 3 billion pounds. Seeing a fast and tangible return on investment, customers have renewed and expanded their Samsara subscriptions at a healthy rate.

We anticipate a long runway for growth as Samsara expands into existing accounts and wins new customer logos. Samsara is less than 50% penetrated in its existing customers' vehicle fleets and has a significant opportunity to cross-sell newer non-vehicle products (which already account for more than $200 million of ARR) into its base. The company has also increased its customer count by approximately 20% year-over-year every quarter and identified hundreds of thousands of potential new accounts to win. As it has scaled, Samsara has delivered healthy operating leverage, and we think free cash flow margins can expand to more than 20% longer term.

The Fund established a position in **LPL Financial Holdings Inc.**, the largest independent broker-dealer (IBD) in the U.S. LPL uses technology to help independent financial advisors run their practices more efficiently and service their clients more successfully. LPL should continue to benefit from secular growth in the demand for financial advice, and a shift among financial advisors away from large wire houses towards independent practices. We believe LPL, as the largest IBD, is well placed to continue gaining market share, as it offers its advisors high-quality technology, a range of affiliation models, and best-in-class financial incentives.

LPL invests more than its competitors in developing the technologies that allow advisors to run their practice smoothly. The company has also developed a range of possible outsourcing relationships for advisors to choose among, allowing a high degree of flexibility as they transition their practices to independence. LPL's scale allows it to spread their costs over a $1.5 trillion-plus asset base. LPL then uses its superior scale to pay industry-leading economics to its advisors, who can earn payouts of over 90% of the revenue they generate. The combination of these benefits enables LPL to continue recruiting more assets onto its platform, which in turn reinforces these scale advantages. LPL also benefits from the long-term trend of rising asset prices, which grows its base of assets under management.

We believe that LPL is well positioned to continue winning new advisors and asset inflows. As it leverages its scale to continue developing its advisor offerings, LPL is gaining share in a growing market. With low teens asset growth and ongoing margin expansion, we believe that LPL can grow EBITDA at a mid-teens rate, and coupled with share repurchases, compound earnings per share at a high teens rate for an extended period.

Top net sales for the quarter

	Quarter End Market Cap ($B)	Net Amount Sold ($M)
Mettler-Toledo International Inc.	24.4	40.8
The Charles Schwab Corporation	170.4	26.4
West Pharmaceutical Services, Inc.	15.7	18.9
Gartner, Inc.	31.1	15.5
IDEXX Laboratories, Inc.	43.1	15.4

We managed down the Fund's weightings in several of our largest longtime holdings, including precision instruments provider **Mettler-Toledo International Inc.**, brokerage **The Charles Schwab Corporation**, injectable drug administration leader **West Pharmaceutical Services, Inc.**, IT research firm **Gartner, Inc.**, and veterinary diagnostics company **IDEXX Laboratories, Inc.**

Outlook

The Fund demonstrated strong outperformance during the first quarter of this year amid a sharp downdraft in the equity markets. Many of the factors cited for the markets' pullback - highly volatile U.S. tariff policies, concerns over the federal deficit, rising interest rates, a weakening dollar, geopolitical uncertainty, and extended valuations among the perceived beneficiaries of AI - remain largely unchanged. Yet, investors chose to discount those same concerns this past quarter.

The types of businesses we favor – high-quality companies that benefit from long-term secular growth drivers with highly visible and growing earnings streams – did not perform as well as businesses that we believe to be more speculative and, in many cases, too highly valued to merit investment. This ongoing dynamic has predominated in equity markets throughout the past two- and-a-half years, contributing to among the most challenging periods for the Fund's investment approach in its nearly 40-year history.

Although we do not make investments predicated upon our view of changing macroeconomic or market developments, we remain confident that the types of businesses we own will soon be better appreciated - and more appropriately valued - by investors. The dynamic whereby particular types of stocks move in and out of favor has occurred often throughout the Fund's long history. We believe that our businesses' growth opportunities and competitive positions have continued to improve, while their absolute and relative valuations have become more compelling.

Sincerely,

Andrew Peck
Portfolio Manager

MID CAP

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 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.

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

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

4 For the period December 31, 1987 to December 31, 2024.

5 Not annualized.

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

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

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

The discussions of the companies herein are not intended as advice to any person regarding the advisability of investing in any particular security. The views expressed in this report reflect those of the respective portfolio managers only through the end of the period stated in this report. The portfolio manager's views are not intended as recommendations or investment advice to any person reading this report and are subject to change at any time based on market and other conditions and Baron has no obligation to update them.

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

The portfolio manager defines **"Best-in-class"** as well-managed, competitively advantaged, faster growing companies with higher margins and returns on invested capital and lower leverage that are leaders in their respective markets. Note that this statement represents the manager's opinion and is not based on a third-party ranking. **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.

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 Durable Advantage Fund®

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

Alex Umansky
Portfolio Manager

Dear Baron Durable Advantage Fund Shareholder,

Performance

We had a great quarter.

Baron Durable Advantage Fund® (the Fund) increased 15.6% (Institutional Shares) during the second quarter, compared to the 10.9% gain for the S&P 500 Index (the Index), the Fund's benchmark.

Year to date, the Fund is up 7.5%, compared to the 6.2% gain for the Index.

Investing should be a simple business. Buy and hold high quality, well managed companies at reasonable prices and avoid bad businesses – in our case, at *any* price. But our industry tends to overcomplicate things… It is important to remember that it is always, *always* simpler in the long term than in the short term.

After two consecutive years of strong market recovery, which saw the Fund post an 85% cumulative gain, there was a meaningful correction over the later part of the first quarter and the early part of this one. Tariffs, DOGE, the pace of interest rate cuts, and geopolitical uncertainty combined to cause what in hindsight looks and feels like a flash sale. Following a 7.0% drawdown in the first quarter, the Fund rebounded with a 15.6% gain for a healthy 7.5% return over the first half of the year, which compares favorably to the 6.2% return for its benchmark. From our perspective, the uncertainty surrounding tariffs, DOGE, the pace of interest rate cuts, and geopolitical complexities remain largely unchanged. It is always simpler in the long term…

From a quarterly performance attribution perspective, over 90% of the Fund's 469bps of outperformance was due to stock selection. Information Technology (IT) was our best sector with 368bps of outperformance. Stock selection within IT contributed 406bps while being underweight the sector detracted 38bps. Our next best sectors were Communication Services and Consumer Staples, which drove 121bps of relative returns combined. Not having investments in Energy, Utilities and Materials contributed an additional 104bps. Negative stock selection in Health Care was largely offset by a meaningful underweight to the sector, whereas our significant overweight to Financials proved to be the largest detractor given the sector's overall lackluster gains of just 5.5% in the period.

Annualized performance (%) for period ended June 30, 2025

	Fund Retail Shares[1,2]	Fund Institutional Shares[1,2]	S&P 500 Index[1]
3 Months[3]	15.55	15.63	10.94
6 Months[3]	7.37	7.51	6.20
1 Year	16.89	17.21	15.16
3 Years	25.20	25.52	19.71
5 Years	18.01	18.29	16.64
Since Inception (12/29/2017)	16.07	16.34	13.76

From an absolute return and stock specific perspective, the second quarter saw a V-shaped recovery as many of our biggest losers from the March quarter were among the biggest winners in June. **Broadcom**, **Amazon**, **NVIDIA**, **Microsoft**, and **Taiwan Semiconductor** cost the Fund 463bps in absolute terms in March. We highlighted our high degree of confidence that the drawdown would not result in permanent losses of capital. These five holdings contributed 972bps (or more than 2 times) to this quarter's gains. Overall, we had 26 contributors against 7 detractors, with many big winners and just a few underperformers of note. **UnitedHealth** was the exception. Following a stream of bad

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 1.04% and 0.77%, 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.

news including a change in the CEO, the withdrawal of guidance, and confirmation of a regulatory investigation, the stock collapsed, losing over 50% of its value. Obviously, there is a wide range of outcomes in how this will play out and so we chose to move out of the way and to reallocate to higher conviction ideas.

Despite a strong market recovery, investors continue to be hyper-focused on the day-to-day news flow. The sharp sell-off experienced around "Liberation Day" and the subsequent recovery to new highs are the most recent examples of the stock market's momentous volatility and short termism. We can state with a high degree of confidence that the fundamentals of our businesses, while not immune, are much more stable. Many of our core holdings saw significant declines in their stock prices during the first half of this year, while their business fundamentals AND our estimates of their intrinsic values continued to rise.

What is NOT going to change…

In one of his iconic shareholder letters, Jeff Bezos, the founder of Amazon, once articulated the following: "*I very frequently get the question: 'What's going to change in the next 10 years?' And that is a very interesting question; it's a very common one. I almost never get the question: '<u>What's not going to change in the next 10 years?</u>' That second question is <u>actually the more important of the two -- because you can build a business strategy around the things that are stable in time…</u> we know that customers want low prices, and I know that's going to be true 10 years from now. They want fast delivery; they want vast selection… <u>When you have something that you know is true, even over the long term, you can afford to put a lot of energy into it</u>.*" [4]

Baron Durable Advantage Fund is laser focused on what is *not* going to change. As disruptive change investors, we will continue to map out where the opportunities and land mines are likely to be. We will continue to seek out high-quality, competitively advantaged businesses that trade at reasonable prices, and avoid bad businesses – at any price. We will continue to invest in long-term compounders with compelling business models and durable growth characteristics, that solve critical problems for their customers and face lower risk of disruption. We will continue to *minimize the real risk* for our shareholders – the probability of permanent losses of capital.

Since the inception of the Fund in December 2017 it has generated an annualized rate of return of 16.34% (net of all fees and expenses) – 258bps higher than the Index. Past performance is obviously no guarantee of future results, but if we continue to execute our process, it should enable our investors to sleep well at night.

Percentage of time Fund outperformed benchmarks and peers over different time periods from inception

Rolling Return Period	3 Months	1 Year	3 Years	5 Years
Outperformance vs. S&P 500 Index	61%	61%	80%	97%
Outperformance vs. Morningstar Large Growth Category Average	57%	67%	87%	100%

The performance data quoted represents past performance. Current performance may be lower or higher than the performance data quoted. The index is unmanaged. Index performance is not Fund performance. Investors cannot invest directly in an index.
Sources: Baron Capital, S&P Global Inc., and Morningstar Direct.

Top contributors to performance for the quarter

	Quarter End Market Cap ($B)	Contribution to Return (%)
Broadcom Inc.	1,296.5	2.77
NVIDIA Corporation	3,855.0	2.68
Meta Platforms, Inc.	1,855.8	2.14
Taiwan Semiconductor Manufacturing Company Limited	1,174.7	1.57
Microsoft Corporation	3,697.0	1.56

Broadcom Inc. is a leading fabless semiconductor and enterprise software company, generating approximately 60% of revenue 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. Shares rose 65.0% during the quarter on continued momentum in Broadcom's AI application-specific integrated circuits and networking with improved visibility into 2026. VMware, Broadcom's recently acquired infrastructure software business, is performing in line with expectations, while the non-AI semiconductor segment appears to have bottomed and is poised for a recovery over the next 12 months. We retain strong conviction in Broadcom's long-term outlook, as the company is well positioned to capture a majority share of the $60 billion to $90 billion serviceable addressable market by 2027 with its AI business, driven by demand from key customers such as Google, Meta, and ByteDance, accompanied by durable growth in its other segments.

NVIDIA Corporation is a fabless semiconductor company specializing in next generation compute and networking platforms for accelerated computing. Its dominant position in AI infrastructure with a comprehensive portfolio spanning graphics processing units (GPUs), systems, software, and high-performance networking solutions, continues to drive strong performance. Shares rose 45.5% during the quarter as increasing data points emerged that the AI cluster buildout is likely to be durable, with NVIDIA maintaining its leadership. The company also removed all AI-related revenue contributions from China from its guidance going forward, effectively de-risking that part of the business. We maintain a long-term constructive view, as leading AI labs show growing confidence in their ability to achieve human-level intelligence and deploy AI products in enterprise settings. All the industries bottlenecked by intelligence will leverage AI, unlocking trillions of dollars in value, in our view. Most of these AI workloads will be supported by large language models running in data centers. 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 **Meta Platforms, Inc.**, the world's largest social network, rose 28.2% this quarter on impressive top-line growth with revenues growing 19% year-on-year in constant currency and solid forward guidance. Meta is already seeing solid returns on its AI investments across its core business, with improved content recommendations driving increased time spent on the platform, and enhanced ad targeting and ranking delivering higher conversion rates and stronger return on ad spend. Our industry checks also suggest

LARGE CAP

strong advertiser adoption and satisfaction, including in newer areas such as AI-powered creative tools and business messaging. Meta continues to manage costs effectively and remains focused on profitable growth. Over the long term, we believe Meta is well positioned to leverage its leadership in mobile advertising, massive user base, innovative culture, strength in generative AI research, and technological scale, with additional monetization opportunities ahead.

Top detractors from performance for the quarter

	Quarter End Market Cap or Market Cap When Sold ($B)	Contribution to Return (%)
UnitedHealth Group Incorporated	279.4	(1.18)
Thermo Fisher Scientific Inc.	153.1	(0.53)
Texas Instruments Incorporated	154.1	(0.20)
Arch Capital Group Ltd.	34.1	(0.13)
Accenture plc	178.0	(0.11)

UnitedHealth Group Incorporated is a diversified health and well-being company with $450 billion in annual revenue, operating across four segments: UnitedHealthcare (insurance), Optum Health (care), Optum Insight (data), and Optum Rx (pharmacy benefits manager). Shares fell 50.2% during the quarter after the company missed earnings estimates and cut its 2025 earnings per share guidance, citing higher-than-expected medical costs in its Medicare Advantage business. Investor confidence was further shaken in early May by the abrupt departure of CEO Andrew Witty and the suspension of 2025 guidance. The company also mispriced its Medicare Advantage business for 2025—a challenge compounded by reimbursement changes and an influx of newly acquired members who had not been properly risk coded. While we acknowledge UnitedHealth's potential to restore profitability in this segment over time through disciplined pricing and benefit adjustments, we chose to exit our position during the quarter in favor of higher conviction opportunities.

Thermo Fisher Scientific Inc. is a life sciences company that offers instruments and consumables for research, tools for bioproduction, specialty diagnostics, and contract research and manufacturing services. Shares declined 18.5% in the second quarter. The life sciences segment remains under pressure due to continued grant cancellations by the National Institutes of Health (NIH) and persistent funding constraints at universities. We retain conviction as Thermo Fisher is dominant across several attractive and diversified end markets and its scale gives it resilience. Once the macroeconomic environment stabilizes, we expect the company to resume organic growth in the high single-digit range and deliver double-digit earnings per share growth.

Shares of **Texas Instruments Incorporated**, the leading global analog semiconductor company, fell 13.4% during the quarter amid investor concerns about the impact of tariffs on semiconductors and their end markets, as well as a potential delay in the industry's cyclical recovery. The company has been investing heavily in 300 millimeter wafer capacity to support revenue growth over the next 10 to 15 years and is now nearing the end of this investment cycle. While 300 millimeter capacity offers significant cost advantages over the 200 millimeter wafers used by many competitors, Texas Instruments' free cash flow has been meaningfully pressured in the near term. We expect free cash flow to improve as the cycle turns, revenue grows, and capital expenditures decline; however, we believe this upside is already reflected in the stock's valuation. We sold our shares in favor of opportunities where we believe the risk/reward profiles to be more attractive.

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 negative view.

As of June 30, 2025, our top 10 positions represented 54.2% of the Fund's net assets, the top 20 represented 83.4%, and we exited the quarter with 30 investments.

Financials and IT represented 63.0% of the Fund, while Communication Services, Consumer Discretionary, Industrials, Health Care, and Real Estate represented another 35.0%, with the remaining 1.9% held in Consumer Staples (Costco) and cash.

Top 10 holdings

	Quarter End Market Cap ($B)	Quarter End Investment Value ($M)	Percent of Net Assets (%)
Meta Platforms, Inc.	1,855.8	42.1	8.2
NVIDIA Corporation	3,855.0	36.1	7.1
Amazon.com, Inc.	2,329.1	35.5	7.0
Broadcom Inc.	1,296.5	28.4	5.6
Microsoft Corporation	3,697.0	27.5	5.4
Taiwan Semiconductor Manufacturing Company Limited	1,174.7	25.8	5.1
Visa Inc.	703.8	22.2	4.3
Alphabet Inc.	2,145.4	20.6	4.0
S&P Global Inc.	165.5	20.5	4.0
Monolithic Power Systems, Inc.	35.0	18.0	3.5

Recent Activity

During the second quarter, we took advantage of market volatility to initiate a new position in the electrical systems and components designer and manufacturer, **Amphenol**.

We also added to 11 existing investments: the derivatives marketplace **CME Group**, the AI leader **NVIDIA**, the casual dining chain **Texas Roadhouse**, the life sciences tools leaders **Danaher** and **Thermo Fisher**, the search and AI giant **Alphabet**, the premium senior housing owner **Welltower**, the independent broker-dealer **LPL Financial**, the tax and small business software provider **Intuit**, the fabless semiconductor power company **Monolithic Power Systems**, and the payments network **Mastercard**.

To finance these purchases, we exited three investments: **UnitedHealth**, **Accenture**, and **Texas Instruments**, and reduced two existing positions – **Microsoft** and **Mettler-Toledo**.

Top net purchases for the quarter

	Quarter End Market Cap ($B)	Net Amount Purchased ($M)
CME Group, Inc.	99.3	4.9
Amphenol Corporation	119.4	3.5
NVIDIA Corporation	3,855.0	3.1
Texas Roadhouse, Inc.	12.4	1.4
Danaher Corporation	141.4	1.4

During the quarter, we initiated a new position in **Amphenol Corporation**, one of the world's largest providers of high-technology interconnect, sensor, and antenna solutions. We invested in Amphenol due to the company's strong competitive advantages which are derived from both its distinct operating culture as well as its technological leadership, along with the secular tailwinds that should enable it to benefit from durable growth. Amphenol is a highly diversified business operating in seven different end markets – Industrial, Automotive, Mobile Devices, IT Datacom, Communications Networks, Defense, and Commercial Aerospace, with no end market representing more than 25% of sales. The company's mission-critical products are needed in electrical systems to move data, transmit signals, and enable specific outcomes. As the world electrifies and more systems move from analog to digital, Amphenol's content opportunity grows.

In 2024, Amphenol had approximately $15 billion in sales in an estimated $250 billion worldwide market for interconnect and sensor related products. The company has historically grown sales at an approximately 11% CAGR over the last 10 years driven by both organic and acquisition-driven growth. We think the company is entering a period of accelerated organic growth driven by its dominant position in connectors used in AI data centers, which represent multiple times larger content opportunity compared to traditional data centers, requiring a greater interconnect intensity and power density. We think Amphenol is well positioned to capture this opportunity due to their technology leadership as well as their ability to scale manufacturing rapidly at very high quality and with minimal defects.

Amphenol has a highly distinguished, entrepreneurial operating culture with 140 general managers running unique, independent businesses. With no centralized operating functions, these 140 general managers (who report to group general managers in three distinct operating divisions) have complete accountability for the performance of their businesses and are incentivized to grow and develop their businesses for the short and long term. This flat organizational structure enables Amphenol to drive with "*one foot on the gas and one foot on the brake*"[5], meaning that the business can scale rapidly to meet customers' needs as well as take action to preserve margins during cyclical downturns. It enables Amphenol to operate like many small companies, be nimble with quick feedback loops between customer needs and product development.

Capital allocation is a key part of Amphenol's strategy. The company aims to return 50% of capital to shareholders through dividends and share buybacks and allocate the remaining 50% to its disciplined acquisition program. Amphenol has acquired more than 50 companies over the last 10 years which have contributed approximately one-third of revenue growth over the long term. The company is focused on three characteristics in potential targets: great people, great product, and great market position. Amphenol takes a long-term approach, noting that they do deals for life, not for the quarter. Amphenol has historically grown EPS at a 13% CAGR over the last 10 years and we believe that thanks to AI, growth should accelerate going forward. Moreover, we continue to believe that the company will continue to execute on its acquisition program in the fragmented but consolidating industry which allows it to continue creating substantial shareholder value over the long term.

Our largest add to an existing investment was **CME Group, Inc.** CME operates the world's largest financial exchanges for trading derivatives on interest rates, equity indexes, energy, agricultural commodities, currencies, and metals. The company benefits from higher trading volumes during periods of high market volatility. Over the long term, the company benefits from global capital markets expansion, increasing demand for risk management tools, and bank capital requirements that favor CME's centrally cleared securities over non-cleared OTC products. CME has significant competitive advantages due to its proprietary products, deep liquidity pools, and capital efficiencies for its customers. These advantages lead to high margins, low capital intensity, and strong capital returns to shareholders. Given the uncertain path of inflation and interest rates, we believe demand for CME's financial derivatives will likely remain firm. The company's average daily trading volume has increased 15% year-to-date as of June 30. While easing market volatility may cause trading activity to slow from record high levels, we believe CME provides an attractive hedge against tariff- and macro-related uncertainty. We also believe concerns about competition from a new derivatives exchange called FMX are overblown and have created an attractive entry point to increase our position.

We took advantage of the sell-off in shares early in the second quarter to add to our position in **NVIDIA Corporation**. Despite the company's continued world-class execution, the stock sold off dramatically into "Liberation Day," enabling us to pick up additional shares in the high $90s and low $100s. We believe the intrinsic value of the company has actually increased, while the price of the stock declined significantly. The DeepSeek moment has driven an expansion in demand for inference reasoning AI - for example, Microsoft's CEO stated in his last earnings call: "*We processed over 100 trillion tokens this quarter, up 5x year-over-year, including a record 50 trillion tokens last month alone.*" Second, AI diffusion rule was cancelled, which could have potentially capped the demand for AI – and we've already seen hundreds of billions of dollars' worth of AI projects announced by the Gulf States since then. Third, NVIDIA disclosed "*a line of sight to projects requiring **tens of gigawatts of NVIDIA AI infrastructure** in the not-too-distant future*[6]" with every gigawatt representing a "***$40 billion to $50 billion opportunity for NVIDIA.***" Lastly, scaling laws have expanded from the original pre-training scaling (the model's quality improves with more compute, more data, and a larger model size) to post-training (teaching models to be more task-specific) and time-test scaling (thinking longer on more complex questions) – which all drive demand for GPUs. We believe NVIDIA remains an attractive investment with durable growth characteristics.

Our third largest addition in the quarter was to our newer position in **Texas Roadhouse, Inc.**, the largest casual dining chain in the U.S., where we were also able to benefit from the increased market volatility to add to our position in the $150s and $160s. Its main brand, Texas Roadhouse, is known for "Legendary Food, Legendary Service" and the company continues to gain share due to its high-quality, made from scratch meals served at affordable prices. The company's most recent quarterly results have corroborated our view as the company saw increasing traffic at its restaurants, despite a volatile operating environment characterized by softening consumer spending and one-off factors such as poor weather, which negatively impacted demand for restaurants. The company continues to show strong value for guests, choosing not to raise prices as fast as inflation. While actions like these pressure short-term margins, over the long term this strategy has yielded strong results as shown by continued market share gains and growth in profit dollars. The company also continues to invest in restaurants with new kitchen displays and guest management systems. These systems should lead not only to better labor retention, but also to an improved guest experience. We continue to believe that Texas Roadhouse is a durable compounder. We expect units to grow at a mid-single-digit CAGR, positive same-store sales, and profit growth in the high single-digit to low double-digit range with shareholder returns bolstered by both their dividend and share repurchases.

We also added to our position in **Danaher Corporation**. Within life sciences, Danaher supplies instruments for lab research, genomics services, and bioproduction tools. For its diagnostics business, Danaher offers instruments to run clinical tests in labs, hospitals, and at the point of care. We are particularly interested in Danaher's market leading position and broad portfolio within bioprocessing, which we expect to benefit from a wave of biosimilars entering the market after key patents expire. The stock has come under pressure along with the rest of the life science tools space, creating an opportunity for investors with the right time horizon. Multiple headwinds have been shared across the life science sector, but either those headwinds are temporary, or Danaher is better positioned than peers, in our view.

- First, biotechnology funding has been constrained, and earlier-stage, discovery research has been under pressure. That said, Danaher has noted that 75% of their bioprocessing business is in Phase 3 trials or commercial—not as tied to funding-sensitive, speculative areas. Drug production is a highly regulated industry, and Danaher is a trusted brand that is spec'd into production workflows.
- NIH funding has been another area of softness, given the priority of the current administration in cutting university grant funding. That said, government/academic research is only a low single-digit percentage of the business. We also continue to believe that long term, the U.S. will continue to be at the forefront of university research and life science innovation.
- China has also been an area of weakness. This is about 12% of the business, and volume-based procurement or pricing negotiations have been a headwind. That said, Danaher has noted that demand is stable, and they are also seeing a modest benefit from China stimulus.

We see Danaher as a quality compounder with long-term revenue growth of high single digits, 40% operating profit fall-through, and double-digit EPS growth.

Very briefly on the other, smaller adds to existing investments during the second quarter:

- **Alphabet Inc.** – We believe Alphabet will ultimately maintain its market leadership despite near-term competition and stock volatility. The combination of Alphabet's world-class AI talent, unmatched data across nine platforms with a billion users or more, and its full-stack cloud platform will serve as keys to success, in our view.
- The premium senior housing provider **Welltower Inc.** – we continued to build our position in this offensive and defensive name. "Defensive" due to the needs-based service offering the company provides with a focus on the best micro-markets with substantial pricing power, given the company serves a higher net-worth demographic; and "offensive" given the company's structural supply-demand imbalance, due to muted supply growth with secular demand tailwinds underpinned by demographics.
- The life sciences tools provider **Thermo Fisher Scientific Inc.** – the company is facing similar cyclical headwinds to Danaher, which we believe creates an opportunity for long-term investors.
- The independent broker dealer **LPL Financial Holdings Inc.** – we believe that LPL's continuous market share gains will be further supported by its recently announced acquisition of Commonwealth Financial Network, which improves LPL's positioning at the high-end of the market.
- Tax and small business software provider **Intuit Inc.** – the company continues to execute at a high level and has not seen a cyclical slowdown with stable Small Business revenue growth at 19% in the company's most recently reported quarter, strong Consumer segment growth of 11%, and very robust Credit Karma growth of 31%, which underpinned annual guidance raise to 15% revenue growth and 18% to 19% EPS growth.
- Fabless analog and power semiconductor company **Monolithic Power Systems, Inc.** - we like Monolithic's consistent above-industry growth and its attractive end market exposure and have taken advantage of short-term volatility to add to our position.
- Payments network **Mastercard Incorporated** - we took advantage of stock price volatility. Despite the news around stable coins, we believe payment processing networks (which we think of as digital railroads) are unlikely to be disrupted since consumers are unlikely to change payment methods without personal benefits. Credit cards offer plentiful rewards, a 30- to 45-day free revolving credit, and various consumer protections against fraud and other abuse.

Top net sales for the quarter

	Quarter End Market Cap or Market Cap When Sold ($B)	Net Amount Sold ($M)
Microsoft Corporation	3,697.0	9.4
UnitedHealth Group Incorporated	279.4	7.0
Accenture plc	178.0	5.2
Texas Instruments Incorporated	154.1	4.7
Mettler-Toledo International Inc.	24.4	0.4

As mentioned above, we sold our holdings in **UnitedHealth Group Incorporated**, **Accenture plc**, and **Texas Instruments Incorporated** and reduced two existing investments, reallocating to ideas that, in our view, have more positively skewed risk/reward for the long term.

Outlook

"*No one knows what will happen short term and we don't really care. Interesting and entertaining but we should not be trying to take advantage of short term vol. 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.*" – Ron Baron, in a note to all research staff during the worst of market volatility earlier this year.

We agree. Many market participants overcomplicate things. Unless they aim to outperform every quarter, and every month, and every week – in which case it really does get complicated. "All-Weather" portfolios sound appealing in theory but are very complicated and difficult to construct in reality. It requires pursuing many conflicting goals simultaneously – chasing the latest trends, reacting to short-term news and events, hedging and rotating, and constantly repositioning the portfolio for different scenarios and outcomes vis-à-vis tariffs, interest rates, elections, etc. Complicated and difficult to accomplish with any consistency. Instead, we choose to focus on the simple. Identify, invest, and *HOLD* high-quality, competitively advantaged, well-managed businesses for the long term. We know that economies and markets are cyclical and that future outcomes are inherently unpredictable. We also believe it is not necessary and so we do not even try.

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 the year, for revenues, operating income and operating margins. After contracting by 8.4% in the first quarter, the weighted average multiple for the Fund expanded by 14.4% in the second quarter. Overall, the weighted average stock in the portfolio has a multiple 5.3% above its 5-year average[7]. Note that excluding Broadcom, whose P/E multiple is 83% above its 5-year average (and deserves to be higher than its historical average due to the company's new growth opportunities in AI), the weighted average would have been 0.5% above its 5-year average.

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

Our goal is to invest in large-cap companies with, in our view, strong and durable competitive advantages, proven track records of successful capital allocation, high returns on invested capital, and high free-cash-flow generation, a significant portion of which is regularly returned to shareholders in the form of dividends or share repurchases. It is our belief that investing in great businesses at attractive valuations will enable us to earn excess risk-adjusted returns for our shareholders over the long term. We are optimistic about the prospects of the companies in which we are invested and continue to search for new ideas and investment opportunities.

Sincerely,

Alex Umansky
Portfolio Manager

1 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 https://www.goodreads.com/quotes/966699-i-very-frequently-get-the-question-what-s-going-to-change
5 Amphenol's Q3, 2024 earnings conference call
6 NVIDIA's 1Q FY2026 earnings conference call.
7 We calculate a 5-year average multiple for each stock in the portfolio

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.

Morningstar calculates the Morningstar Large Growth Category Average performance using its Fractional Weighting methodology. Total returns do account for management, administrative, and 12b-1 fees and other costs automatically deducted from fund assets.

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

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

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QUARTERLY LETTER | JUNE 30, 2025

Baron Fifth Avenue Growth Fund®

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

Alex Umansky
Portfolio Manager

Dear Baron Fifth Avenue Growth Fund Shareholder,

Performance

We had a great quarter.

Baron Fifth Avenue Growth Fund® (the Fund) gained 24.9% (Institutional Shares) during the second quarter, which compares to gains of 17.8% for the Russell 1000 Growth Index (R1KG) and 10.9% for the S&P 500 Index (SPX), the Fund's benchmarks.

Year to date, the Fund is up 8.2%, compared to gains of 6.1% and 6.2% for the Fund's benchmarks, respectively.

After a blockbuster two-year run for U.S. large-cap growth equities that saw the R1KG appreciate over 90%, we thought 2025 was shaping up as a challenging year. Tariffs, DOGE, the pace of interest rate cuts (or lack thereof), the geopolitical uncertainty the world over – were all pointing towards a wide range of outcomes and increased volatility. We pretty much got that in the first quarter, which ended with a broad-based pullback across all market caps. But then, sometime early in the second quarter, the script flipped. We cannot tell you why (which is not at all unusual for us), because tariffs, DOGE, the pace of interest rate cuts (or lack thereof), and the geopolitical uncertainty the world over – remain largely unchanged as far as we can see. Nevertheless, the Fund had an excellent quarter in both absolute and relative terms, posting a 24.9% gain. From the start of 2023, when the market recovery began, the Fund has appreciated 134.8% which compares favorably to the returns of 101.9% for R1KG, and 67.7% for SPX, the Fund's benchmarks.

Relative to the R1KG Index, the Fund's outperformance in the quarter was driven entirely by stock selection, which contributed 743bps, while sector allocation detracted modestly. Performance was excellent in Information Technology (IT) and Consumer

Annualized performance (%) for period ended June 30, 2025

	Fund Retail Shares[1,2]	Fund Institutional Shares[1,2,3]	Russell 1000 Growth Index[1]	S&P 500 Index[1]
3 Months[4]	24.85	24.94	17.84	10.94
6 Months[4]	8.04	8.16	6.09	6.20
1 Year	24.85	25.15	17.22	15.16
3 Years	28.12	28.45	25.76	19.71
5 Years	9.05	9.33	18.15	16.64
10 Years	13.38	13.67	17.01	13.65
15 Years	14.82	15.11	17.54	14.86
Since Inception (4/30/2004)	10.36	10.57	12.48	10.60

Discretionary, where our holdings appreciated 34.0% and 23.6%, respectively, compared to gains of 25.0% and 14.2%, respectively, for the Index, though the relative allocation to both sectors was a modest headwind. Stock selection was also strong in Financials (+19.6% versus +5.9%) and in Health Care (+5.2% versus -2.0%), while our Industrials holdings underperformed. Not holding investments in Consumer Staples, Energy, Materials, and Real Estate contributed 104bps to relative returns.

From an absolute return and stock specific perspective, the second quarter saw a V-shaped recovery as many of our biggest losers from the March quarter were among the biggest winners in June. **NVIDIA** was our largest detractor, costing the Fund 176bps in the March quarter, and it was our largest contributor this quarter, adding 407bps. **Amazon** and **ServiceNow**, which were among our worst

LARGE CAP

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 1.03% and 0.76%, respectively, but the net annual expense ratio was 1.00% and 0.75% (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.

detractors in the first quarter (-223bps combined), bounced back nicely in the second quarter, contributing 252bps combined. Overall, we had 25 gainers against only 4 losers and none of the losers were large enough to matter (all down mid single-digits performance wise). NVIDIA, **Cloudflare**, **MercadoLibre** (MELI), **Snowflake**, **Taiwan Semiconductor** (TSMC), **Coupang**, **Datadog**, **CrowdStrike**, **Trade Desk**, and **Grail** all appreciated over 30% during the quarter, and were among 20 Fund holdings (out of 32) that appreciated more than the R1KG.

Despite a strong market recovery, investors continue to be hyper-focused on the day-to-day news flow. The significant drawdowns experienced around "Liberation Day" and the subsequent recovery to new highs are the most recent examples of the stock market's momentous volatility and short termism. We can state with a high degree of confidence that the fundamentals of our businesses, while not immune, are much more stable. Many of our core holdings saw significant declines in their stock prices in the first half of this year, while their business fundamentals AND our estimates of their intrinsic values continued to rise. A couple of glaring examples:

- NVIDIA's stock price had a 37% drawdown during the first half of 2025. The "DeepSeek moment" was misunderstood or misinterpreted by investors. We argued in the last quarterly letter that it will actually drive an expansion in demand for inference reasoning AI. On its most recent earnings call, Microsoft's CEO stated: "*We processed over 100 trillion tokens this quarter, up 5x year-over-year, including a record 50 trillion tokens last month alone.*" After spending the better part of a week at NVIDIA's developer conference (you can read details about it in the last quarterly letter) we were all bulled up with "*a line of sight to projects requiring **tens of gigawatts of NVIDIA AI infrastructure** in the not-too-distant future*[5]" with every gigawatt representing a"***$40 billion to $50 billion opportunity for NVIDIA.***" Finally, scaling laws have expanded from the original pre-training scaling (the model's quality improves with more compute, more data, and a larger model size) to post-training (teaching models to be more task-specific) and time-test scaling (thinking longer on more complex questions) – which all drive demand for graphics processing units (GPUs). Our conviction that NVIDIA is at the epicenter of the most transformative technology of our lifetime (which is saying a lot since we have all experienced the Internet, the Smart phone, and the Cloud) remains unshaken.
- **Samsara** had a maximum drawdown of 45% during the first half, despite continuing to report robust financial results with annualized recurring revenue (ARR) growth of 31% (in constant-currency) and operating margins of 13.9%, up over 1,150bps year-on-year. The company also raised its annual guidance across all metrics. Tariff disruption notwithstanding, Samsara grew net new ARR (NNARR) by 8% (versus the aggregate public software industry NNARR declining 29% over the same period) and delivered the highest organic growth rate (32% year-over-year) of any public software-as-a-service (SaaS) company again, confirming the company's strong business resilience and continued market share gains. Samsara ended the quarter with a record pipeline, while continuing to expand with existing customers, who adopt increasingly more of its products (38% of core customers now use three or more products, up from 34% a year ago). Finally, at its annual User Conference, Samsara introduced a host of new products, including AI Predictive Maintenance, AI Safety Intelligence, and Commercial Routing, seeding significant growth opportunities for the future.
- Shares of Cloudflare had a maximum drawdown of 45% during the first half, while we believe the intrinsic value of the business has only grown. Cloudflare is rapidly becoming a more important vendor for its customers with $1 million and $5 million customers growing 48% and 54% year-over-year, respectively, while the company also booked a milestone ***contract of over $130 million*** during the quarter. The company is seeing strong early success with its AI offering enabling customers to run AI models on top of Cloudflare's global network. Cloudflare has a strategic advantage in having its network closer to end consumers, reducing latency which is critical for AI inferencing. Cloudflare Workers AI inference requests were up "nearly 4,000% year-on-year." While the stock is expensive by any measure, we continue to believe that Cloudflare is an important company whose fundamentals continue to get stronger.
- Datadog's shares had a correction of 43% during the first half. At the same time, we judged their reported financial results to be strong and improving. The company demonstrated success expanding into the lucrative enterprise segment with new logo annual contract value up 70% year-on-year and gross retention of existing logos exceeding 99%. Datadog is seeing success with AI native companies, serving 8 of the top 10 AI companies including OpenAI, Anthropic, Cursor, Scale AI, and Replit. Four of these customers tripled spending with Datadog in 2024. Datadog's innovation velocity helps strengthen its platform, and underpins a long duration of growth, supported by continual annual share gains.

Separating Signal from Noise and Alpha versus Beta

We live in the Information Age. It has become increasingly more challenging to filter out irrelevant information directed at us from every conceivable channel. It is estimated that the amount of information created every two days is equivalent to all information created from the beginning of human civilization to 2003[6] and that data is doubling every three years[7].

On the one hand, having more data is great! Accurate, high-quality data enables better analysis and expands our circle of competence. We can learn new subjects and master new areas faster, and in more detail, than ever before, which expands our opportunity set across all market caps and geographies. On the other hand, the constant flow of information creates significant risks. It is time consuming (just going over emails probably detracts as much value as it adds), it can create a false sense of confidence (leading to confirmation bias and general overconfidence), and it makes it harder to separate the signal from the noise – which is so critical in decision making. In short, the wide availability of high-quality data makes the investing world more competitive, while information overload makes it even harder to earn Alpha.

Long-term investors must hone their ability to separate the signal from the noise. During periods of heightened market and stock price volatility it is easy to confuse the deterioration in the sentiment and the overall investing environment for a structural change in companies' fundamentals. It is harder to have the courage of conviction and not to overreact to news that has clear short-term consequences but uncertain long-term effects. We try to filter out the noise by focusing our time and research on what matters for the long-term value creation of the business. How unique is it? Does it solve real and difficult problems for its customers? Is it a beneficiary of disruptive change? How big is the opportunity? Is it run by a management team that thinks and acts like long-term owners of the business? Does it have competitive advantages that are sustainable? Does it demonstrate attractive unit economics? Does it have pricing power? And so on, and so forth…

We believe that over the last 25 years, overemphasis of short-term, news driven, macro-focused, data points and events caused many investors to sell the biggest winners of our generation too early, or to avoid them altogether. Many investors choose to keep away from highly volatile stocks in an effort to "manage" market volatility or to lower the Beta of a portfolio. It certainly paid off when the dotcom bubble burst and Amazon's stock went to 30 cents (split adjusted), losing more than 94% of its value. But it did not hold up to the test of time with Amazon trading at $225 per share now. *Since its IPO in January 1999, NVIDIA lost more than half of its value SEVEN times, before becoming the most valuable company on the planet worth over $4 trillion.* Amazon had four such drawdowns but is up 10-fold in the last decade, while MELI had two declines of more than 50% and is up 18 times over the same timeframe. Many of our investments have endured and will likely continue to endure heightened volatility on their journeys. Cloudflare (up 12 times since the IPO less than six years ago), **Intuitive Surgical** (10 times over the last decade), **argenx** (33 times since IPO eight years ago), and of course, **Tesla**, a super volatile stock since its public debut in June of 2010, up nearly 300 times since then. Over our 30-plus years of allocating capital, these are just a handful of examples where we have experienced significant short-term beta, translating into real long-term Alpha.

Once again, we believe 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. Once again, we have looked into what we could potentially do to mitigate its impact on the portfolio, and once again, we have concluded that it would 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. 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 (both down, AND up), 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!

Top contributors to performance for the quarter

	Quarter End Market Cap ($B)	Contribution to Return (%)
NVIDIA Corporation	3,855.0	4.07
Cloudflare, Inc.	67.9	2.86
Meta Platforms, Inc.	1,855.8	2.23
MercadoLibre, Inc.	132.5	1.76
Snowflake Inc.	74.7	1.67

NVIDIA Corporation is a fabless semiconductor company specializing in compute and networking platforms for accelerated computing. Its dominant position in AI infrastructure with a comprehensive portfolio spanning GPUs, systems, software, and high-performance networking solutions, continues to drive strong performance. Shares rose 45.8% during the quarter as increasing data points emerged that the AI cluster buildout is likely to be durable, with NVIDIA maintaining its leadership, driven by scaling laws expanding outside of pre-training, demand for reasoning-based inference accelerating following the DeepSeek moment, and AI factory investments starting to materialize. The company also removed all AI-related revenue contributions from China from its guidance going forward, effectively de-risking that part of the business. We maintain a long-term constructive view, as leading AI labs show growing confidence in their ability to achieve human-level intelligence and deploy AI products in enterprise settings. 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 data centers. 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.

Cloudflare, Inc. offers enhanced security and performance for websites, applications, and SaaS, and is increasingly well positioned to help power AI-enabled applications at the edge. Shares increased 74.1% after Cloudflare reported solid quarterly results, with revenues rising 27% year-over-year, slightly above expectations. Results were boosted by a $130 million-plus deal, the largest in the company's history, driven by demand for its Workers platform, which allows developers to build and deploy custom applications at the edge for faster performance. The deal represented a competitive win, with the customer choosing Cloudflare over a major hyperscaler due to faster development time and better total cost of ownership. Cloudflare also continued to improve its go-to-market execution, including stronger sales productivity, improved pipeline attainment, and solid customer growth. Management noted record additions of customers spending over $1 million and $5 million annually, while churn remained stable and dollar-based net retention held steady at 111%. We continue to have high conviction in Cloudflare, given its differentiated platform, capable management team, and significant long-term growth opportunity.

Shares of **Meta Platforms, Inc.**, the world's largest social network, rose 28.1% this quarter on impressive top-line growth with revenues growing 19% year-on-year in constant currency and solid forward guidance. Meta is already seeing returns on its AI investments across its core business, with improved content recommendations driving increased time spent on the platform, and enhanced ad targeting and ranking delivering higher conversion rates and stronger return on ad spend. Our industry checks also suggest strong advertiser adoption and satisfaction, including in newer areas such as AI-powered creative tools and business messaging. Meta continues to manage costs effectively and remains focused on profitable growth. Over the long term, we believe Meta is well positioned to leverage its leadership in mobile advertising, massive user base, innovative culture, strength in generative AI research, and technological scale, with additional monetization opportunities ahead.

Top detractors from performance for the quarter

	Quarter End Market Cap ($B)	Contribution to Return (%)
argenx SE	33.7	(0.23)
Eli Lilly and Company	738.8	(0.12)
Atlassian Corporation	53.3	(0.07)
GitLab Inc.	7.5	(0.03)

Argenx SE is a biotechnology company best known for developing Vyvgart, the leading FcRn inhibitor for the treatment of autoimmune conditions. Shares declined 6.8% after Q1 Vyvgart sales came in below elevated investor expectations due to a combination of seasonal factors (such as insurance reverification) and higher Medicare Part D utilization and associated discounts. Our conversations with management and neurologists continue to reinforce Vyvgart's value as an important treatment option with strong long-term growth potential. The drug continues to launch well in both generalized myasthenia gravis and chronic inflammatory demyelinating polyneuropathy. Over time, we expect Vyvgart to demonstrate efficacy across an expanding range of autoantibody-driven autoimmune conditions, supported by encouraging Phase 2 myositis data recently presented by argenx at a major medical conference.

Eli Lilly and Company is a global pharmaceutical company currently best known for its GLP-1 treatments for diabetes and obesity. Shares declined 5.9% in Q2 after competitor Novo Nordisk signed a formulary deal with CVS, prompting investor concerns about a potential price war. Based on our discussions with both management teams and our review of historical formulary agreements, we believe neither company has an incentive to start a price war. Regulatory uncertainty, including potential sector tariffs and "Most Favored Nation" drug pricing risks, also weighed on investor sentiment. We believe these risks are manageable and view Lilly as one of the least exposed pharmaceutical companies to such policy changes. We continue to think Mounjaro and Zepbound are important treatments and expect Lilly to remain a leader in next-generation therapies that are more effective and convenient, including oral orforglipron, which demonstrated strong Phase 3 results in diabetes. Additional obesity-related data is expected later this year. In our view, GLP-1 adoption is still in its early innings, and we believe continued uptake will drive a doubling of Lilly's revenues by 2030.

Atlassian Corporation is a market-leading provider of planning and team collaboration software. Shares declined 4.3% following softer-than-expected cloud revenue growth of approximately 25% year-over-year, down from nearly 30% in the prior quarter. Management attributed the slowdown to delayed deal timing in the enterprise segment, while expansion among small- and mid-sized business customers remained stable. We retain conviction in the stock. Paid seat expansion and customer migrations exceeded expectations, and metrics like product cross-sell, customer retention, premium plan adoption, and new customer interest were broadly in line with estimates. We believe cloud growth can improve over the next year as remaining migration blockers are resolved. To date, over 85% of customers transitioning from data center deployments to the cloud have upgraded to higher-priced product tiers, resulting in pricing uplift of 40% to 80%. Feedback from partners and customers at Atlassian's 2025 user conference suggests these uplifts could be even greater among the largest accounts. We continue to view Atlassian favorably, given its strong product positioning and significant long-term growth opportunity in cloud. We also believe that its unique data with its teamwork graph that is comprised of deep data into how work is being done in companies across teams, should enable it to benefit from AI, as it utilizes the density of its data to increasingly power AI solutions for its customers in Atlassian Intelligence and Rovo.

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 June 30, 2025, the top 10 holdings represented 58.0% of the Fund's net assets, and the top 20 represented 85.0%. The total number of investments in the portfolio was 32 at the end of the second quarter.

IT, Consumer Discretionary, Communication Services, Health Care, and Financials made up 98.0% of net assets. The remaining 2% was made up of **SpaceX** and **GM Cruise**, two of our three private investments classified as Industrials (the other one is **xAI** which is included in Communication Services), and cash.

Top 10 holdings

	Quarter End Market Cap ($B)	Quarter End Investment Value ($M)	Percent of Net Assets (%)
NVIDIA Corporation	3,855.0	82.1	11.1
Meta Platforms, Inc.	1,855.8	65.8	8.9
Amazon.com, Inc.	2,329.1	62.3	8.5
Shopify Inc.	149.8	53.7	7.3
MercadoLibre, Inc.	132.5	36.5	5.0
Taiwan Semiconductor Manufacturing Company Limited	1,174.7	28.7	3.9
Cloudflare, Inc.	67.9	26.8	3.6
Samsara Inc.	22.6	24.5	3.3
Snowflake Inc.	74.7	23.7	3.2
Intuitive Surgical, Inc.	194.8	23.6	3.2

Recent Activity

During the second quarter, we took advantage of market volatility to add to eight existing positions: **Eli Lilly**, **Samsara**, **Illumina**, **TSMC**, **ASML**, **Datadog**, **KKR**, and **Trade Desk**. We funded the purchases by reducing 13 other holdings where we felt the need to manage position sizing or our perceived risk/reward had become less attractive.

Top net purchases for the quarter

	Quarter End Market Cap ($B)	Net Amount Purchased ($M)
Eli Lilly and Company	738.8	8.8
Samsara Inc.	22.6	5.1
Illumina, Inc.	15.1	4.3
Taiwan Semiconductor Manufacturing Company Limited	1,174.7	2.6
ASML Holding N.V.	314.3	1.8

Our largest addition in the quarter was **Eli Lilly and Company**. Lilly is a global pharmaceutical company best known for its GLP-1 medications for diabetes and obesity. The most recent generation of GLP-1 drugs (Mounjaro and Zepbound are Lilly's brands) offer not only superb blood sugar control for diabetics, but can also drive over 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. Of the more than 130 million people in the U.S. who have diabetes or obesity, we estimate only approximately 9 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 and its competitors generate more data to show the dramatic impact GLP-1 drugs can have on medical comorbidities. We think that these drugs will become the standard of care in a $150 billion-plus category. Lilly is the leader in this market, setting a high efficacy bar, and continuing to innovate and develop next-generation medications that are more effective and more convenient. Mounjaro and Zepbound are the most effective drugs approved today and now have a majority share of the market. We are excited about the opportunity for once-daily oral orforglipron, which recently showed Phase 3 data in type 2 diabetes that rivaled Novo Nordisk's injectable Ozempic. We expect Phase 3 orforglipron in obesity this summer to also be competitive with Novo Nordisk's injectable Wegovy. Beyond orforglipron, Lilly is also studying a high efficacy injectable (retatrutide) in Phase 3 that we think will drive 25% weight loss, an amylin hormone analogue (eloralintide) that can be combined with Zepbound in Phase 2, and a muscle-preserving drug, bimagrumab, which can also be combined with Zepbound, in Phase 2. We believe this market is in the early innings of uptake, and the adoption of GLP-1s will drive Lilly to double its total revenues by 2030, and that Lilly has the pipeline of drugs to sustain its leadership position for years to come.

Our second largest addition 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 market downturn, to add to our investment. Samsara has proven to be resilient during past downturns due to its high and quick 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.

We also attended Samsara's annual User Conference and Analyst Day in San Diego in July where we spoke with dozens of customers. These conversations reinforced our thesis that Samsara's leading video-based safety monitoring continues to drive higher win rates against telematics-only competitors, and that Samsara is reaching a data scale that makes it tough for any video-based safety alternative to catch up. At the Analyst Day, management noted that Samsara has "*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.*" These data points span 80 billion miles traveled (25% year-over-year growth) across 99% of the major roads in the U.S., and 120 billion API calls (50% year-over-year growth). As its data moat widens, Samsara continues to drive better safety, cost savings, and financial outcomes for customers. For example, the company prevented 250,000 accidents, digitized 300 million workflows, and reduced 3 billion pounds of CO_2 emissions in fiscal year 2025 alone. Moreover, we believe that Samsara has a long runway for growth as video-based safety products are currently attached to just 10% of total commercial vehicles on the road, and new growth drivers like asset tags and AI-based Samsara Intelligence are just getting started.

We added to our position in the leading DNA sequencing platform, **Illumina, Inc.** Illumina is the dominant next generation sequencing tools provider, a technique that enables massive amounts of genetic analysis in both research and clinical diagnosis. The stock has come under heavy pressure recently due to a confluence of factors including: 1) Pricing pressure from transition to the next-gen 'X' platform; 2) China business at risk after getting caught up in U.S./China trade tensions; 3) The new administration's focus on cutting National Institutes of Health (NIH) funding for life sciences; and 4) Roche's competitive launch coming next year.

We believe, however, that the risk/reward is quite attractive for long-term investors. The transition to the new 'X' platform masks strong underlying growth of 30% to 40% in recent quarters due to the lower per-genome price – and historically lowering the price of sequencing has been a positive driver of industry growth despite volatility during transition periods; China represents only 5% of the business; and NIH is only 10% to 12%. The new Roche tool has not been launched yet – but we believe that given the long runway for growth in the industry and Illumina's strong end-to-end competitive moat, it should maintain a leading positioning in the market.

Fewer than 1% of human beings and 0.1% of earthly species have been sequenced to date. We believe the opportunity is over $40 billion just within the clinical diagnostics segment (with the research market representing an additional multi-billion-dollar opportunity), driven by new ways of testing for disease like liquid biopsy (blood-based testing for cancer). Even in a scenario in which Illumina loses ground significantly compared to their current monopoly position due to competition from the likes of Roche, capturing just 50% of this total addressable market would imply a $20 billion revenue opportunity (about five times the size of the entire business in fiscal year 2024.). Nevertheless, we believe that Illumina is well positioned to maintain their market share at high levels thanks to the high quality of its offering, its end-to-end workflow and the ecosystem around its offering, from sample prep to sequencing and bioinformatic analytics. Illumina's platform is especially sticky in clinical diagnostics, which face regulatory hurdles and high switching costs. Over a 10-plus year time horizon, we believe that the U.S. will continue to be the premier location for life science research and innovation. And that this innovation in the lab will translate into biopharma and clinical applications in increasingly impactful ways. Demographic trends mean populations will continue to age and require more care, and genetic sequencing will become an increasingly important part of personalized diagnostics and medicine.

We continued to build our investment in **Taiwan Semiconductor Manufacturing Company Limited**. We believe that while near-term uncertainty due to tariffs and macro remains heightened, TSMC's competitive positioning in leading-edge semiconductor manufacturing remains unmatched. We also believe that TSMC will benefit from a long duration of growth as the adoption of AI proliferates across industries – and the recent developments in the space which we discussed above (e.g., removal of the AI Diffusion rule, accelerated adoption of reasoning-based AI inference, and the expansion of scaling laws) will serve to further accelerate the adoption of AI. We also like the fact that TSMC will benefit regardless of the ultimate market share split between GPUs and application-specific integrated circuits. It's the ultimate 'arms dealer' to AI.

We also added to **ASML Holding N.V.** ASML designs and manufactures photolithography equipment for semiconductor production with leading market share, including being the only company selling extreme ultra-violet (EUV) lithography tools, which are critical for enabling continued improvement in semiconductor chip performance over time. While the stock has been volatile due to cyclical near-term demand concerns, we do not believe there has been any change to ASML's intrinsic value or longer-term growth opportunity as the company remains the only provider of EUV technology critical to enabling continued node migration in leading edge semiconductors to drive more energy efficient and performant processing capabilities fueled by demand for AI. ASML also continues to invest in improving the productivity of its tools to drive down the cost per wafer layer exposure, which will also continue support an increase in the layer count in leading edge logic and memory semiconductors over time, driving a long duration of growth.

Top net sales for the quarter

	Quarter End Market Cap ($B)	Net Amount Sold ($M)
Cloudflare, Inc.	67.9	17.7
Intuitive Surgical, Inc.	194.8	11.5
ServiceNow, Inc.	212.8	7.9
Snowflake Inc.	74.7	5.4
Veeva Systems Inc.	47.1	2.3

While we continue to believe that **Cloudflare, Inc.**, **ServiceNow, Inc.**, **Intuitive Surgical, Inc.**, **Snowflake Inc.**, and **Veeva Systems Inc.** are high-quality businesses with significant opportunities ahead, we took advantage of market volatility during the quarter to manage position sizing and to add to other attractive long-term ideas.

Outlook

"*No one knows what will happen short term and we don't really care. Interesting and entertaining but we should not be trying to take advantage of short term vol. 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.*" – Ron Baron, in a note to all research staff during the worst of market volatility earlier this year.

Once again, we believe 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 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. 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 (both down, AND up), 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!

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). After contracting 15.2% in the first quarter, the weighted-average multiple for the Fund expanded by 25.1% in the second quarter. Since the Fund was up 24.9%, it would suggest that fundamentals remained relatively stable during the quarter.

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 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

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 NVIDIA's 1Q FY2026 earnings conference call.

6 https://www.frontiersin.org/journals/psychology/articles/10.3389/fpsyg.2023.1122200

7 https://www.designrush.com/agency/big-data-analytics-companies/trends/how-much-data-is-created-every-day

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.

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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.

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

QUARTERLY LETTER | JUNE 30, 2025

Baron Opportunity Fund®

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

Michael Lippert
Portfolio Manager

Dear Baron Opportunity Fund Shareholder,

Performance

During the second quarter, Baron Opportunity Fund® (the Fund) posted solid gains, increasing 23.27% (Institutional Shares), outperforming the Russell 3000 Growth Index (the Benchmark), which gained 17.55%, and the S&P 500 Index, which advanced 10.94%. For the first half of 2025, the Fund appreciated 8.52%, beating both the Benchmark and the S&P 500 Index, which gained 5.80% and 6.20%, respectively.

Annualized performance (%) for period ended June 30, 2025†

	Fund Retail Shares[1,2]	Fund Institutional Shares[1,2,3]	Russell 3000 Growth Index[1]	S&P 500 Index[1]
3 Months[4]	23.20	23.27	17.55	10.94
6 Months[4]	8.40	8.52	5.80	6.20
1 Year	26.09	26.37	16.89	15.16
3 Years	28.30	28.61	25.07	19.71
5 Years	15.99	16.28	17.55	16.64
10 Years	18.02	18.33	16.38	13.65
15 Years	17.01	17.32	17.13	14.86
Since Inception (2/29/2000)	10.21	10.39	7.77	8.15

Review and Outlook

Market Backdrop

Last quarter I wrote that the short-term market is a confidence game and subject to swings in investor sentiment. This quarter, with the potent cocktail of the tariff pause and the steady advancement of AI, investor optimism was reinvigorated.

Despite declining by double digits in early April, all major U.S. indexes rebounded to finish in positive territory for the quarter. Risk-off sentiment to start the period centered around President Trump's April 2 tariff announcement, which Wall Street strategists viewed as more severe than expected and likely to slow economic growth, boost inflation, and increase the odds of a recession. The S&P 500 Index fell more than 12% over the next four trading days, nearly entering bear market territory from its all-time high in February (down almost 19%). The technology-heavy NASDAQ Composite Index officially entered a bear market on this retreat. After bottoming on April 8, U.S. equities rebounded due to positive trade developments. On April 9, President Trump announced a 90-day pause on most reciprocal tariffs to allow for negotiations. China was the only country excluded from the pause, but U.S. and Chinese officials eventually agreed to a de-escalation of tariffs on May 12, alleviating investor concerns and contributing to additional market gains. Other market catalysts included resilient corporate earnings amid tariff-driven pressures, dovish Federal Reserve commentary following muted May inflation, improving consumer sentiment, a ramp in M&A and IPO activity, and AI tailwinds from **NVIDIA Corporation**'s strong earnings results.

Performance

We continue to manage the Fund with 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. Transformative secular trends—such as AI; autonomous transportation; robotics; digital commerce, media, finance; advanced therapeutics, and minimally invasive surgery—will shape the future and drive long-term investment returns. This relentless approach and our investments across these trends yielded strong investment returns during the second quarter, with the Fund

ALL CAP

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 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.

closing the period up over 23%, beating the Benchmark by 572 basis points, with relative strength coming primarily from stock selection.

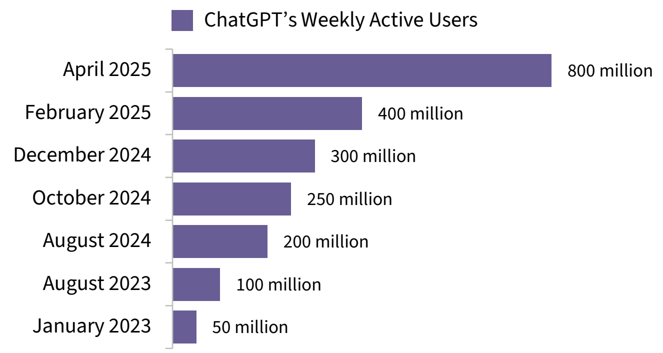
Our Information Technology (IT) investments accounted for about 90% of Fund outperformance in the period, with over 90% of our IT outperformance resulting from stock selection. Within IT, our semiconductor and systems software investments—semiconductor businesses **Broadcom Inc.**, **indie Semiconductor, Inc.**, **NVIDIA Corporation**, and **Taiwan Semiconductor Manufacturing Company Limited**, and systems software companies **Cloudflare, Inc.**, **Zscaler, Inc.**, and **Snowflake Inc.**—led the way. Our strong IT stock selection was further enhanced by the Fund's meaningfully lower exposure to **Apple Inc.**, which significantly lagged during the period. Other top relative contributors were a diverse set of digital services leaders, including **Spotify Technology S.A.**, the world's most popular music and audio streaming service; **Duolingo, Inc.**, a leading language-learning application; and **Hinge Health, Inc.**, an innovative digital health care company that automates care for joint and muscle health, whose IPO we participated in during the period.

Techology and AI Highlights

Trump Administration. In our last letter, despite heightened uncertainty about tariffs and AI-related trade restrictions, we wrote: "The Trump administration's words and actions…underscore a commitment to prioritizing AI for national and economic security and a broader goal of maintaining U.S. AI leadership." On May 7, the administration announced its intention to rescind the Biden administration's AI Diffusion rule, with a spokesperson saying it would be replaced with "a much simpler rule that unleashes American innovation and ensures American AI dominance." Earlier in the second quarter, the administration sent mixed signals by banning NVIDIA from selling its H20 low-end AI chip to China, but just this week NVIDIA announced that it had received assurances from the U.S. government that export licenses for its H20 chips will be granted, with the company expecting to resume shipments "very soon." Also this week, David Sacks, well known from the All-In podcast, and now the White House AI and Crypto Czar, reiterated the administration's AI policy goals in a CNBC interview: "President Trump assigned us this mission of winning the AI race and there's really three ways I think we do that. Number one is innovation. We have to outcompete our global adversaries. There is just no substitute for innovation. You can't regulate your way to winning the AI race. And in the U.S. innovation is done by the private sector... Number two is AI infrastructure. We have to have the biggest, the most, the best AI infrastructure...The third is AI exports. We have to basically export American technology around the world. We have to make it the global standard. In Silicon Valley we understand that the companies that win are the ones that create the biggest ecosystem. They have the most developers on their platform … [W]e want American technology to be the global standard. We want the most people using it. We want data centers across the world to be adopting the American technology stack…[W]e want to have a mentality of expanding adoption...of American technology. That's the way we win the AI race." We agree with these goals, Sacks' observations, and the criticality of private sector innovation to win the race.

AI adoption and revenue growth. While we are still in the early innings of AI adoption and revenue generation, some notable examples show faster growth than ever experienced before in the digital age. ChatGPT has set records for user acquisition: it hit 100 million monthly active users (MAUs) within just two months of its release (by January 2023), and 100 million weekly (not monthly) active users by August 2023, 200 million by August 2024, 400 million by February 2025, and 800 million by April 2025.

From Niche Tool to Household Name: The ChatGPT Growth Story



Source: OpenAI.

In contrast, it took TikTok nine months and Instagram 2.5 years to reach 100 million MAUs. From an AI monetization perspective, some of the pioneers have achieved stunning growth: OpenAI is projected to do more than $12 billion of revenue in 2025, up from $2.7 billion in 2024; Anthropic's revenue run rate has quadrupled since the start of this year, ramping from about $1 billion to about $4 billion; and Microsoft reported a total AI revenue run rate of $13 billion for the December 2024 quarter, growing 175%.

AI ROI. Investors and analysts continue to debate AI's return on investment as companies like the AI frontier model builders (OpenAI, xAI, Anthropic, and Meta) and the hyperscalers (Microsoft Azure, Amazon Web Services, Google Compute, and Oracle Cloud Infrastructure) continue to invest massive amounts in AI training and inference infrastructure. We believe these companies and their leaders have their eyes on the prize–an immense prize. NVIDIA's CEO Jensen Huang has pronounced: "No technology has ever had the opportunity to address a larger part of the world's GDP than AI." If you are not in the race, you are out of this competition and relegated to watching from the sidelines and becoming disrupted and irrelevant, much like Nokia during the smartphone revolution. Today, even 30 years into the Internet digital era, technology spending only accounts for 5%—about $5 trillion—of the $110 trillion of global GDP, with human labor representing about 45% to 50%. The pursuit of Artificial General Intelligence (AGI), which can perform any intellectual task a human can, and Artificial Superintelligence (ASI), which surpasses human intelligence, will disrupt and transform the global economy and "impact every industry" (quoting Jensen again). AI's leaders understand the prize is in the trillions, not billions.[5] McKinsey has estimated a long-term AI opportunity of $4.4 trillion in added productivity growth,[6] but this strikes us as merely the first fraction of the real 10-to-20-year opportunity. In a recent report Goldman Sachs evaluated the "over $350 billion in cumulative CapEx spent on the first wave of AI infrastructure to develop Large Language Models (LLMs)." The report calculated $925

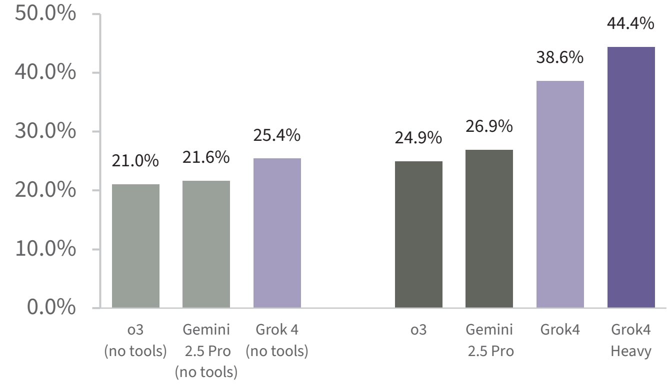
ALL CAP

billion in savings from the first wave across the Fortune 500 by 2030 resulting from headcount reductions and employee productivity gains. Goldman cited benchmarks disclosed by large corporations, including JP Morgan planning to cut 10% of Consumer & Community Banking operations headcount over five years; Amazon seeing a smaller corporate workforce in upcoming years; and IBM citing 30% cost savings in its customer service costs tied to the use of chatbots and agents and 40% to 70% reductions in procurement costs from the adoption of AI tools.

Morgan Stanley Q2 2025 CIO Survey. Highlights we found noteworthy: (i) 37% of CIOs expect IT spending to increase as a percentage of total revenue over the next three years versus 11% who expect it to decline, translating to a 3.4 times up-to-down ratio, which is healthy but below recent highs from the Q3 2023 survey; (ii) AI sustained its position at the top of the CIO priority list, followed by cloud computing and security software; (iii) security software remained the most defensive area of IT spend by a wide margin, followed by compliance software, CRM applications, and AI and process automation; (iv) 60% of CIOs expect to have AI-based workloads in production by the end of 2025; and (v) CIOs estimate 68% of application workloads to reside in the public cloud by the end of 2027 (from 44% today).

xAI's Grok 4 release. After being founded by Elon Musk just two-and-a-half years ago, on July 9 xAI released its highly anticipated Grok 4 model, built on the largest coherent AI accelerator (or GPU) cluster in the world. Grok 4 benchmarking showed best-in-class results against leading models from OpenAI, Anthropic, Google, and others. These achievements provide more proof that multiple AI scaling laws remain intact. XAI trained Grok 4 on Colossus, the world's largest compute cluster, with over 200,000 high-performance NVIDIA GPUs all networked together as a single AI training computer. XAI stressed that Grok 4 benefited not only from scaling next-token prediction pretraining to unprecedented levels (100 times more compute than Grok 2), but reinforcement learning (RL)[7] training that refined Grok's reasoning abilities to new heights (using 10 times more compute than Grok 3). These RL and reasoning capabilities enable Grok to use tools like a code interpreter and web browsing in situations that are usually challenging for LLMs. Grok can use advanced keyword and semantic search tools, run its own queries to find knowledge from across the web, and employ powerful tools to find information from deep within X. On the Grok 4 Livestream, Elon stated that Grok "is the smartest AI in the world;" if given a graduate student GRE exam, "it will get near-perfect results in every discipline of education… from humanities to…languages, math, physics, engineering;" and it "is post graduate PhD level in everything…better than PhD level in every subject…no exceptions." Elon did allow that Grok "at times may lack common sense and has not yet invented new technologies or discover[ed] new physics, but that is just a matter of time." As shown below, Grok achieved unprecedented results on a benchmark called Humanity's Last Exam,[8] a 2,500 question test across a broad range of subjects. The most knowledgeable human might only score up to 5% on this benchmark, but Grok 4 achieved 25% accuracy with no tools and almost 39% with tools; Grok 4 Heavy, which can use multiple AI agents to derive answers, scored over 44% with tools. Elon described the current tools as "fairly primitive," and said more "powerful tools" would be enabled later this year.[9]

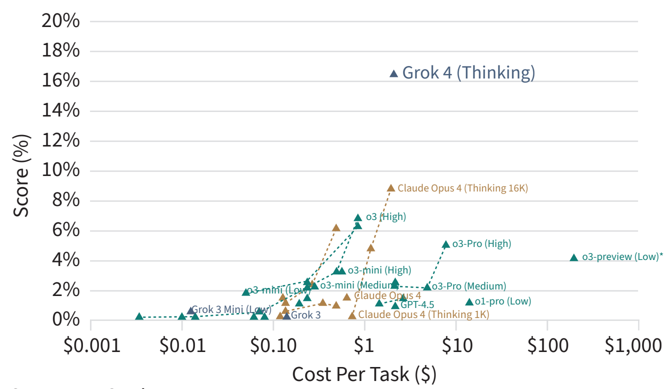
Humanity's Last Exam



Source: xAI.

On another exam, ARC-AGI 2,[10] a benchmark that tests a model's ability to handle reasoning tasks, plotting models based on their score percentage, Grok 4 looks like an outlier, scoring 15.9% (nearly double Anthropic's Cloud Opus 4 model).

ARC-AGI-2 Leaderboard



Source: ARC Prize, Inc.

xAI plans to ramp its AI compute cluster towards 1 million GPUs. Elon emphasized that "we're at the beginning of an immense intelligence explosion…[w]e're at the intelligence big bang," but the "real test" for AI is "reality." Will AI "invent a new technology…improve the design of a car or a rocket or create a new medication…Does the rocket get to orbit? Does the car drive? Does the medicine work?" Elon, who has a history of bold predictions, stated "[Grok] may discover new technologies as soon as later this year and I would be shocked if it has not done so next year…it might discover new physics next year."

Tesla's Robotaxi launch. Starting back in late 2016, Tesla equipped every vehicle it produced with a standardized set of cameras, computing hardware, and communication devices. By the end of the second quarter of 2025, Tesla's fleet had scaled to 7.5 million vehicles, and it had driven over 3.5 billion cumulative miles with Full Self Driving (Supervised). Tesla has been leveraging this data, together with large-scale AI training compute infrastructure and advanced algorithms, to develop its autonomous driving software.[11] After years of investment and development, Tesla launched its Robotaxi service in Austin on June 22. This marked a significant step toward the company's long-term goal of operating a large, fully autonomous ride-hailing network. As expected, the initial rollout was limited in geographic coverage, user base, and fleet size. In less than a month, however, the company more than doubled the original coverage area in Austin. Additionally, on June 27, just five days after the Robotaxi launch, Tesla completed its first fully autonomous vehicle delivery, transporting a new Model Y from the factory directly to a customer.

AI acqui-hires. There are a limited number of people with strong technical AI backgrounds and experience. This has led to a war for talent among the top companies. Social media has near-daily reports of talent leaving one AI player to join another. Recently, there has been a flurry of aqui-hire deals designed to avoid anti-trust scrutiny. These include: (i) Meta's $14.8 billion investment in ScaleAI, acquiring a 49% minority nonvoting stake and hiring Scale AI's CEO, Alexander Wang, to lead Meta's newly formed Superintelligence team; (ii) Google's $2.4 billion deal to hire Windsurf's leadership team, beating out OpenAI after its $3 billion acquisition fell apart over Microsoft concerns regarding Windsurf's intellectual property; (iii) Microsoft's aqui-hire deal, valued at $650 million, to land the entire leadership team from Inflection AI and appoint Mustafa Suleyman as CEO of Microsoft AI; and (iv) OpenAI's $6.5 billion of iO Products, a startup co-founded by former Apple design chief Jony Ive, underlying OpenAI's goal of developing a new class of AI devices.

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

- AI
- Cloud computing
- Semiconductors
- Software-as-a-service
- Digital media/entertainment
- Targeted digital advertising
- E-commerce
- Targeted medicine/therapies
- Minimally invasive surgical procedures
- Cybersecurity
- Electric vehicles (EVs)/autonomous driving
- Electronic payments
- Robotics
- Space technology

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

- Digital/other health care: **Eli Lilly and Company**, **Exact Sciences Corporation**, and **Hinge Health, Inc.**
- Software: **The Trade Desk**, **Samsara Inc.**, and **Datadog, Inc.**
- Digital sports gaming/entertainment: **DraftKings Inc.**
- Infrastructure services/solutions: **Quanta Services, Inc.**
- Digital media/entertainment: **Spotify Technology S.A.**
- EVs/autonomous driving/robotics: **Tesla, Inc.**

Top contributors to performance for the quarter

	Contribution to Return (%)
NVIDIA Corporation	4.44
Broadcom Inc.	3.31
Microsoft Corporation	2.45
Spotify Technology S.A.	1.98
Meta Platforms, Inc.	1.36

NVIDIA Corporation is a semiconductor and systems company specializing in compute and networking platforms for accelerated computing. NVIDIA has captured a dominant position in AI infrastructure with a comprehensive portfolio spanning semiconductor accelerators, networking solutions, modular and rack-scale systems, and software. NVIDIA shares rebounded from their first quarter retreat, as signs emerged that the AI cluster buildouts are likely to extend into 2026, with NVIDIA maintaining its leadership. NVDIA delivered a better-than-feared April 2025 quarter, with data center revenues growing 73% to $39.1 billion, despite a $2.5 billion impact from the Trump administration's H20 China export ban, which would have beaten Street expectations by $5 billion to $6 billion if not for the ban. NVIDIA's new Blackwell chip accounted for $11 billion in revenue, the fastest ramp in the company's history. Management provided solid July 2025 quarter guidance, with total revenue expected to grow over $6 billion sequentially adjusted for the China ban. This guidance stripped out all AI-related revenue contributions from China, effectively de-risking that part of its business. Below are some CEO Jensen Huang highlights from the May earnings call:

- "There are now multiple scaling laws. There's the pre-training scaling law, and that's going to continue to scale because we have...data that came from reasoning that are now used to do pre-training. And then the second is post-training scaling law using reinforcement learning human feedback, reinforcement learning AI feedback, reinforcement learning verifiable rewards. The amount of computation you use for post-training is actually higher than pre-training...And the third part, this is the part that you mentioned, is test-time compute or reasoning, long thinking, inference scaling...The amount of tokens generated, the amount of inference compute needed is already 100 times more than the...one-shot capabilities of large language models in the beginning."
- "And the reason that is so different than data centers of the past is because AI factories are directly monetizable through its tokens generated. And so the token throughput of our architecture being so incredibly fast is just incredibly valuable to all of the companies that are building these things for revenue generation reasons and capturing the fast ROIs."
- "[G]oing forward, I think it's fairly safe to say that...almost all software will be infused with AI, all software and all services will be...ultimately based on machine learning, and the data flywheel is going to be part of improving software and services, and that the future computers will be accelerated...[We]'re in the beginning of this new era. And then lastly, no technology has ever had the opportunity to address a larger part of the world's GDP

than AI…[T]his is now a software tool that can address a much larger part of the world's GDP more than any time in history. And so the way we think about growth…has to be in the context of that. And when you take a step back and look at it from that perspective, we're really just in the beginnings."

Broadcom Inc. is a leading semiconductor and enterprise software company, generating approximately 60% of revenue 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. Broadcom has continued its leadership in networking silicon from the cloud era to the AI era and emerged as the most reliable silicon partner for AI foundational model builders to design custom chips to train and inference their frontier models. Shares rose during the quarter on continued momentum in Broadcom's AI product lines. In its April quarter, Broadcom reported over $15 billion in total revenue, up 20%; over $4.4 billion in AI revenue, up 40%; and over $6.6 billion in software revenue, up 25%. Broadcom continued to demonstrate excellent profitability, with operating margins over 65% and free cash flow margins at 43%. On the company's earnings call and during other public appearances, Broadcom CEO Hock Tan confirmed that all programs supporting the company's projected $60 billion to $90 billion serviceable addressable AI market by 2027 were "on track," inference demand had emerged as an important AI revenue opportunity, and that the company's AI revenue growth should accelerate to the 50% to 60% level for fiscal years 2025 and 2026.

Microsoft Corporation is the world's largest software and cloud computing company. Microsoft was traditionally known for its Windows and Office products, but over the last five years it has built a $160 billion run-rate cloud business, including its Azure cloud infrastructure service and its Office 365 and Dynamics 365 cloud-delivered applications. Shares outperformed on the back of a strong March quarter, driven primarily by its Azure business accelerating 400 basis points to 35% constant-currency growth, well ahead of expectations. For the June quarter, management guided Azure growth to hold at the 34% to 35% level, again above expectations of 31% to 32%, commenting that "whereas they hoped to have supply demand in balance by end of the fiscal year, they now expect to be AI constrained past June as planned demand is growing a bit faster," Microsoft remains well positioned across the overlapping software, cloud computing, and AI landscapes.

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. Spotify shares performed well, attributable to both solid underlying results and the company's durability in an unpredictable macro environment. In the quarter, Spotify continued its path to structurally increase gross margins, aided by their high-margin artist promotions marketplace, podcasts becoming more profitable, and audiobooks coming in at a higher margin than core music. Spotify remains a sticky subscription product with relative resilience in times of consumer uncertainty. Notably, paid users continued to grow at a double-digit pace despite price hikes. Spotify also continues to innovate on the product side, calling 2025 the "year of accelerated execution," with aims to improve advertising, expand into video, and release a Super Premium tier. We believe Spotify's market-leading scale, attractive freemium model, product leadership, and pure-play focus will keep the company competitively advantaged over time. We view Spotify as a long-term winner in music streaming with potential to reach 1 billion monthly active users in the next five years.

Top detractors from performance for the quarter

	Contribution to Return (%)
Apple Inc.	(0.68)
Vertiv Holdings Co	(0.23)
argenx SE	(0.21)
Arista Networks, Inc.	(0.20)
HubSpot, Inc.	(0.18)

Apple Inc. is a leading manufacturer of consumer electronics, computer software, and online services. Shares declined amid mounting headwinds, including new U.S. tariffs on Apple's China-centric supply chain, which are pressuring gross margins, and increased regulatory scrutiny of the App Store model in both the U.S. and Europe. These developments have introduced greater uncertainty around the growth and profitability of Apple's high-margin services business. While we continue to admire Apple's brand, ecosystem, and long-term innovation capabilities, the ongoing regulatory overhang and heightened risk to margins and growth prospects led us to exit the position and reallocate capital to holdings with more compelling risk/return profiles.

Vertiv Holdings Co is a leading provider of critical digital infrastructure solutions for data centers, including power distribution and cooling technologies. We initiated a position late in the first quarter after the stock fell sharply on the market weakness described above. The stock continued to fall in early April on continued negative news flow related to tariffs. We chose to sell our small position (less than 100 basis points) and garner a short-term tax loss. In 20/20 hindsight, this was a mistake, and we should have continued to build our position on weakness. Vertiv rallied back sharply later in the second quarter as the market became more confident around data center capital spending and Vertiv's sustainable competitive advantage, but the stock was a detractor for the Fund as we did not participate in that rally.

Argenx SE is a biotechnology company best known for developing Vyvgart, the leading FcRn inhibitor for the treatment of autoimmune conditions. The Vyvgart product launch continues to proceed quite well in both generalized myasthenia gravis (MG) and chronic inflammatory demyelinating polyneuropathy (CIDP). Shares underperformed, however, as Vyvgart's first quarter sales missed elevated investor expectations due to a combination of seasonality (related to insurance reverification) and higher Medicare Part D utilization and associated discounts. Our interviews of treating neurologists and management continue to suggest that Vyvgart is an important treatment option for MG and CIDP patients and will continue to grow, and we think the recent availability of the prefilled syringe presentation will accelerate adoption. Over time, we expect Vyvgart to demonstrate efficacy in an ever-expanding range of autoantibody-driven autoimmune conditions and drive north of $10 billion in revenues. We were pleased to see argenx present encouraging Vygart phase 2 myositis data at a recent medical conference. Beyond Vyvgart, argenx is progressing additional pipeline drugs, including empasiprubart and ARGX-119, each of which are potential blockbusters.

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 second quarter, the largest market cap holding in the Fund was $3.9 trillion and the smallest was $500 million. The median market cap of the Fund was $46.4 billion, and the weighted average market cap was $1.2 trillion.

To end the quarter, the Fund had $1.65 billion of assets under management. We had investments in 43 unique companies. The Fund's top 10 positions accounted for 56.3% of net assets.

The Fund has had positive inflows year to date.

Top 10 holdings

	Quarter End Market Cap ($B)	Quarter End Investment Value ($M)	Percent of Net Assets (%)
NVIDIA Corporation	3,855.0	196.1	11.9
Microsoft Corporation	3,697.0	126.3	7.6
Amazon.com, Inc.	2,329.1	106.5	6.4
Broadcom Inc.	1,296.5	102.9	6.2
Spotify Technology S.A.	157.3	90.1	5.4
Meta Platforms, Inc.	1,855.8	86.4	5.2
Tesla, Inc.	1,023.2	76.0	4.6
Space Exploration Technologies Corp.	349.1	69.6	4.2
The Trade Desk	35.4	38.6	2.3
Eli Lilly and Company	738.8	38.0	2.3

ALL CAP

Recent Activity

Top net purchases for the quarter

	Quarter End Market Cap ($B)	Net Amount Purchased ($M)
Eli Lilly and Company	738.8	37.6
Exact Sciences Corporation	10.0	15.1
The Trade Desk	35.4	13.2
DraftKings Inc.	21.3	12.8
Hinge Health, Inc.	4.1	10.4

We initiated a position in **Eli Lilly and Company** during the quarter. Lilly is a global pharmaceutical company, best known for developing and selling GLP-1 medications for diabetes and obesity. The most recent generation of GLP-1 drugs (brand names Mounjaro/Zepbound) not only offer superb blood sugar control for diabetics but can drive 20%-plus weight loss and likely improve cardiovascular outcomes in both diabetic and non-diabetic obese patients. We estimate that in the U.S. alone, there are about 32 million type 2 diabetics and an additional roughly 105 million obese patients who would qualify for GLP-1 drugs. We think that these drugs will become the standard of care for both diabetes and obesity and will become at least a $150 billion drug category. We view Lilly as the leader in the space, setting a high efficacy bar with its current GLP-1s and continuing to innovate and develop next-generation treatments that are more effective and more convenient. Lilly's Mounjaro/Zepbound are the most effective drugs approved today and have been taking share. We are excited about Lilly's once-daily oral orforglipron, which recently showed Phase 3 data in type 2 diabetes that rivaled Novo Nordisk's injectable Ozempic. We expect Phase 3 orforglipron in obesity this summer to also be competitive with Novo Nordisk's injectable Wegovy. Beyond orforglipron, Lilly is also studying a high efficacy injectable (retatrutide) in Phase 3 that we think will drive 25%-plus weight loss, an amylin hormone analogue (eloralintide) that can be combined with Zepbound in Phase 2, and a muscle-preserving drug bimagrumab (which can also be combined with Zepbound) in Phase 2. We continue to believe this market is in the early innings of uptake, the adoption of GLP-1s will drive Lilly to double its total revenues by 2030, and Lilly has the pipeline of drugs to sustain its leadership position.

We also initiated a position in **Exact Sciences Corporation**, a leading molecular diagnostics company focused on the early detection of colorectal cancer. Exact Sciences is best known for Cologuard, a non-invasive stool test that can test for colorectal cancer. 106 million adults in the U.S. are eligible for colorectal cancer screening and half are not up to date. Colonoscopies are the gold standard for colorectal cancer screening, but they are invasive and require significant preparation. In contrast, Cologuard is non-invasive and requires significantly less time commitment. Cologuard adoption is growing, and the test now accounts for about 13% of colorectal cancer screening. We are increasingly hearing from doctors and patients that they are considering Cologuard ahead of colonoscopies. Shares underperformed in 2024 as adoption of Cologuard slowed and investors worried about competition from competitor Guardant Health's launch of a colorectal cancer blood test. We believe shares are well positioned to re-rate as each fear is dispelled: (i) we expect Exact Sciences' commercial restructuring to continue to drive volume growth reacceleration, and (ii) Guardant's blood test is less sensitive than Cologuard and we think blood tests will be relegated to patients who refuse more sensitive screening options. Our big picture is that Cologuard is the best option for colorectal cancer screening and Exact Sciences will continue to penetrate this market.

The Trade Desk is the leading independent internet advertising demand-side platform, enabling agencies to efficiently purchase digital advertising across desktop, mobile, and online video channels. As we addressed in our last letter, we added to our position last quarter after 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. Since this "first miss ever," we have done substantial research to validate our thesis and continued adding to our position. We believe Trade Desk has been executing well, with the company-wide reorganization complete, a strong pipeline of joint business plans with brands, and the Kokai platform upgrade adoption back on track. While we continue to watch the competitive landscape as Amazon enters the market more meaningfully, we believe Trade Desk represents the best option for advertisers for biddable Connected TV inventory. Trade Desk's core positioning and strategy has also been validated, as major companies like Netflix, Disney, and Spotify have chosen to open their ad inventory to the company. Long term, we believe Trade Desk has a substantial runway for future growth. The company's addressable opportunity set remains large and under-penetrated, as it has only an estimated 10% share in the more than $100 billion programmatic advertising market, a small and growing subset of the over $700 billion global advertising market.

Top net sales for the quarter

	Quarter End Market Cap or Market Cap When Sold ($B)	Net Amount Sold ($M)
Apple Inc.	2,970.6	58.0
HubSpot, Inc.	26.2	11.6
Arista Networks, Inc.	81.2	10.6
Vertiv Holdings Co	22.6	9.1
Duolingo, Inc.	18.6	6.2

We exited our **Apple Inc.** position as described above.

We sold **HubSpot, Inc.** and redeployed that capital in software names listed above.

We sold our **Arista Networks, Inc.** and **Vertiv Holdings Co** investments during the early April market retreat to garner short-term tax losses, as described above.

We trimmed our **Duolingo, Inc.** position after the company's shares had performed quite well.

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

† 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.

5 See Elon Musk's July 9, 2025 X post: "The value of AI companies will exceed non-AI probably by an order of magnitude."

6 McKinsey January 27, 2025 report.

7 Reinforcement learning (RL) is a way to train an AI model, like Grok 4, to make smart decisions by learning from trial and error, much like a person or animal might learn a new skill. Imagine teaching a dog to fetch a ball: you reward it with a treat when it does well, and over time, it learns the best actions to get more treats. In RL, the AI model is the "dog," and each action gets a "reward" (a score) based on how good or bad it is. xAI uses RL after its initial training, called post-training, to fine-tune Grok's behavior and improve its answers.

8 From an xAI slide: "Humanity's Last Exam, a benchmark at the frontier of human knowledge, designed to be the final closed-ended academic benchmark of its kind with broad subject coverage. The dataset consists of 2,500 challenging questions across over a hundred subjects."

9 Gemini is a Google model; o3 is from OpenAI.

10 ARC-AGI stands for Abstraction and Reasoning Corpus – Artificial General Intelligence. ARC-AGI benchmark tasks are easy for humans but hard for AI, highlighting shortcomings in AI reasoning and adaptability.

11 From Tesla's Q1 2025 Update slide deck: "a vison-only architecture with end-to-end neural networks trained on billions of examples of real-world data."

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.

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BARON CAPITAL

QUARTERLY LETTER | JUNE 30, 2025

Baron Partners Fund®

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

Ron Baron
CEO
Portfolio Manager

Michael Baron
Co-President
Portfolio Manager

Dear Baron Partners Fund Shareholder,

Performance

Baron Partners Fund® (the Fund) rebounded meaningfully after a tough initial start to the year. Over the prior quarter, the Fund appreciated 12.14%. This result trailed its benchmark, the Russell Midcap Growth Index (the Index), but exceeded the broader Russell 3000 Index (the Market Index), which rose 18.20% and 10.99%, respectively. Its peer category, the Morningstar Large Growth Category Average, appreciated 17.09%.

Over the prior 12 months, the Fund has returned 34.14%. That compares very favorably to the Index and the Market Index's returns of 26.49% and 15.30%, respectively.

Markets have continued a streak of significant volatility and abrupt changes in direction. The prior three years have been marked by geopolitical, macroeconomic, and industry specific shocks. While the Fund performed well on an absolute basis during this period, it has trailed its benchmarks. The Fund's sizable gains in calendar years 2023 and 2024 have been bookended by declines in late 2022 and in the first half of 2025. In 2022, the market rotated away from COVID era favored growth investments. And a changed political landscape in early 2025 has created investor uncertainty. The Fund's low turnover makes it temporarily susceptible to these sudden changes in market sentiment. Over the prior three years, the Fund had an annualized return of 15.93% while the Index was up 21.46%.

But 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

Annualized performance (%) for period ended June 30, 2025

	Fund Retail Shares[1,2,3]	Fund Institutional Shares[1,2,3,4]	Russell Midcap Growth Index[2]	Russell 3000 Index[2]
3 Months[5]	12.08	12.14	18.20	10.99
6 Months[5]	(7.45)	(7.34)	9.79	5.75
1 Year	33.80	34.14	26.49	15.30
3 Years	15.63	15.93	21.46	19.08
5 Years	22.74	23.05	12.65	15.96
10 Years	19.41	19.72	12.13	12.96
15 Years	19.58	19.89	14.27	14.46
Since Conversion (4/30/2003)	16.57	16.80	12.04	11.12
Since Inception (1/31/1992)	15.01	15.16	10.41	10.51

Morningstar category over the prior 5-, 10-, 15-, and 20-year periods, as well as since conversion. The rapid market shifts that caused this finite period of underperformance have much less impact on long-term absolute and relative returns. Since its conversion to a mutual fund, the Fund's annualized return of 16.80% compared to the Index's return of 12.04%. We are very proud of the Fund's long-term track record.

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As of 6/30/2025, Morningstar Large Growth Category consisted of 1,084, 954, and 754, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Partners Fund in the 4th, 1st, 1st, 1st, 1st , 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 696 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.
Performance listed in the above table is net of annual operating expenses. Annual expense ratio for the Retail Shares as of April 30, 2025 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.

We believe the recent year-to-date results should not be viewed in isolation and remind investors how the portfolio has performed over the entire cycle. Year-to-date results in 2025 follow a period of a surprise and drastic change in the U.S. political landscape. The business and investor euphoria experienced because of the Presidential election at the end of 2024 was met with the realities of policies enacted (and in some cases, enacted, paused, and/or withdrawn) 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 remain concerned about tariffs hindering international trade, inflation harming discretionary spending, federal spending cuts impacting economic growth, and the latest political wrangling. It has been a whipsaw of forecasts.

We did not attempt to predict the 2024 election outcome, nor investor reaction 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 more 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, which are well represented in the Fund. These businesses should face less competition from new entrants in such economies. And the executive teams should position their business to thrive. The Fund's portfolio turnover remained low throughout this period. A transitional period is often volatile, and that has once again been the case. But the Fund is weathering this entire period very well. Since the U.S. election on November 5, 2024 when the macroeconomic and political environment shifted, the Fund has gained 22.85%, while the Index has gained only 14.02% through the end of the quarter.

Investor concerns about tariffs and government spendings cuts subsided in the most recent quarter. There has been a trickle of positive news on trade deals and the expectations that more agreements will transpire. A relatively short and decisive war with Iran had minimal economic impact and (we are hopeful) could improve long-term regional stability.

Tesla, Inc. is the largest position in the Fund and experienced one of the most significant rebounds because of the improved macroeconomic backdrop and improved company prospects. Elon Musk, Tesla founder and CEO, wound down his direct involvement with the polarizing Department of Government Efficiency. His sole focus has returned to the businesses he helms. But even in his (perceived) absence, Tesla has positioned itself to be a dynamic leader in an expanding platform. The refresh of the company's widely successful Model Y has exceeded expectations. The company updated the Model Y's exteriors, improved its battery range, and enhanced the driving experience by making it quieter, which should be well received by customers who paused purchases of soon-to-be outdated equipment. And most importantly, the company re-ramped production faster than most anticipated. Tesla is now well positioned to accelerate deliveries of its core product.

But even more significant for Tesla's future profitability has been the rollout of its Robotaxi in Austin, Texas. Despite naysayers' focus on limited and trivial incidents, we believe early operations are smooth. Coupled with the ability to produce vehicles quickly, inexpensively, and at scale, the company could rapidly expand the service over the next few years in other jurisdictions. Its broad accessibility and unrivaled price should produce sizable market share. It will completely alter the economics of the parent company, transforming it from a hardware-oriented business to a software-dominant model. It should be more profitable and more reliable and garner a higher valuation. Additionally, the company's industrial energy business and nascent humanoid lines could provide significant growth options for the company in the decades to come.

While Tesla had the most meaningful impact on the Fund's quarterly return, several other holdings appreciated considerably during the quarter. Seven out of the Fund's 21 holdings appreciated more than 20% in the period. It was not limited to a certain segment, but rather spanned the Fund's **Disruptive Growth**, **Core Growth**, and **Real/Irreplaceable Assets** investment categories. **Spotify Technology S.A.**, **IDEXX Laboratories, Inc.**, and **Red Rock Resorts, Inc.** led the way in these categories. These companies are realizing the benefits of years of investments that had previously penalized profitability. **Financials** was the only segment that failed to participate in the market rally during the quarter (although financial brokerage company **The Charles Schwab Corporation** increased 16.9%).

Spotify's subscription platform is well insulated from tariff threats. It is meaningfully growing users, revenue, and margins. Its newly built products are proving their importance to artists and enabling better terms with music labels. Spoken word content is also becoming more profitable. Advertising and tiered super premium service should facilitate future growth and higher margins.

Newly developed products should contribute to meaningful revenue growth for IDEXX, a pet diagnostic health care company. Another instrument should be released in 2026. The business, which had temporarily been reliant on veterinary visit growth, should be able to increase prices, improve test utilization, and take market share in the growing field.

And finally, Red Rock has proven that its premium locals Las Vegas casinos can generate impressive returns. The company's newest property, Durango, has had a return on capital in the high teens, net of other resort cannibalization. It has given the company increased confidence to expand that property as well as improve other resorts to this new standard. The Las Vegas demographics remain compelling and Red Rock should capture a large share of the growing market.

While large gainers in the portfolio were prevalent, conversely, there were only two companies, **Gaming and Leisure Properties, Inc**. and **Arch Capital Group Ltd.**, that declined by more than 5%. Both companies were hampered by an unfavorable macroeconomic environment and cyclical industry pressures. Gaming and Leisure Properties' 6% dividend yield is less appealing as interest rates stay higher for longer. After years of an extended hard pricing market, the insurance segment is seeing excessive capital flowing into the space. As a result, Arch's growth has recently slowed, and margins have peaked. The business fundamentals remain attractive as we believe the company can write profitable business over the course of an entire cycle.

Total returns by category for the quarter

	Percent of Total Investments (%)	Total Return (%)	Contribution to Return (%)
Russell Midcap Growth Index		**18.20**	
Disruptive Growth	**50.9**	**14.81**	**9.03**
Spotify Technology S.A.	2.2	39.51	0.75
Tesla, Inc.	30.5	22.68	8.31
Iridium Communications Inc.	0.2	11.42	-0.03
Northvolt AB	0.0	0.00	0.00
Space Exploration Technologies Corp.	17.2	0.00	0.00
X.AI Holdings Corp.	0.8	(0.01)	0.00
Core Growth	**20.1**	**10.05**	**2.38**
IDEXX Laboratories, Inc.	4.2	27.70	1.13
Guidewire Software, Inc.	2.6	25.67	0.65
StubHub Holdings, Inc.	0.8	25.51	0.21
HEICO Corporation	0.9	22.71	0.17
Birkenstock Holding plc	1.1	7.26	0.13
CoStar Group, Inc.	7.1	1.48	0.17
Gartner, Inc.	3.4	(3.69)	(0.09)
Real/Irreplaceable Assets	**11.1**	**8.54**	**0.87**
Red Rock Resorts, Inc.	1.3	23.14	0.29
Hyatt Hotels Corporation	5.8	14.13	0.84
Vail Resorts, Inc.	3.0	(0.44)	(0.15)
Gaming and Leisure Properties, Inc.	1.0	(6.75)	(0.11)
Financials	**18.0**	**1.92**	**0.35**
The Charles Schwab Corporation	5.0	16.93	0.93
MSCI Inc.	2.2	2.42	0.05
FactSet Research Systems Inc.	3.6	(1.39)	(0.10)
Arch Capital Group Ltd.	7.1	(5.33)	(0.54)
Fees		**(0.50)**	**(0.50)**
Total	**100.0***	**12.12****	**12.12****

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.*

Top contributors to performance for the quarter

	Year Acquired	Market Cap When Acquired ($B)	Quarter End Market Cap ($B)	Total Return (%)	Contribution to Return (%)
Tesla, Inc.	2014	21.9	1,023.2	22.68	8.31
IDEXX Laboratories, Inc.	2013	4.7	43.1	27.70	1.13
The Charles Schwab Corporation	1992	1.0	170.4	16.93	0.93
Hyatt Hotels Corporation	2009	4.2	13.3	14.13	0.84
Spotify Technology S.A.	2020	22.6	157.3	39.51	0.75

Tesla, Inc. designs, manufactures, and sells electric vehicles, solar products, and energy storage solutions, while also developing advanced real-world AI technologies. Despite ongoing macroeconomic challenges and regulatory complexities, shares climbed after Tesla completed a limited commercial rollout of its highly anticipated robotaxi business in Austin—following more than a decade of development and billions of dollars in investment. This milestone signals a potentially transformative shift in the automotive industry and opens up a sizable new market beyond the company's core operations. Investor sentiment also improved after Elon Musk stepped back from government-related engagements, boosting confidence in Tesla's near-term execution. Tesla introduced a refreshed Model Y globally, featuring design and performance upgrades, and outlined plans to unveil new mass-market models starting next quarter. Meanwhile, the company is progressing toward scaling production of its humanoid robot, adding another dimension to its long-term growth story.

Shares of veterinary diagnostics leader **IDEXX Laboratories, Inc.** contributed to performance for the quarter after reporting better-than-expected financial results. Foot traffic to veterinary clinics in the U.S. remains under pressure, which has continued to hamper aggregate revenue growth. Despite macroeconomic challenges, IDEXX's excellent execution has enabled the company to maintain strong performance. We believe competitive trends are outstanding, and we expect new proprietary innovations and field sales force expansion to be meaningful contributors to growth in 2025. We see increasing evidence that long-term secular trends around pet ownership and pet care spending have structurally accelerated, which should help support IDEXX's long-term growth rate.

Discount brokerage house **The Charles Schwab Corporation** contributed to performance during the quarter, supported by solid execution and improving fundamentals. The company continued to pay down short-term funding, which contributed to stronger net interest margin and earnings growth. Net new asset growth also improved to 5.5%, in line with Schwab's long-term target range of 5% to 7%, as attrition tied to the Ameritrade acquisition continued to decline. After retaining capital in recent years to meet regulatory requirements, Schwab is now in a position to resume returning capital to shareholders. Overall, the quarter marked a meaningful step forward in both balance sheet strength and earnings momentum, which we believe is being recognized by the market. We remain shareholders given Schwab's dominant position in retail brokerage and its ability to drive earnings growth through both organic expansion in assets under management and improved funding efficiency as it continues to pay down high-cost borrowings.

Top detractors from performance for the quarter

	Year Acquired	Market Cap When Acquired ($B)	Quarter End Market Cap ($B)	Total Return (%)	Contribution to Return (%)
Arch Capital Group Ltd.	2002	0.6	34.1	(5.33)	(0.54)
Vail Resorts, Inc.	2008	1.6	5.8	(0.44)	(0.15)
Gaming and Leisure Properties, Inc.	2013	4.2	12.8	(6.75)	(0.11)
FactSet Research Systems Inc.	2007	2.7	17.0	(1.39)	(0.10)
Gartner, Inc.	2013	5.7	31.1	(3.69)	(0.09)

Specialty insurer **Arch Capital Group Ltd.** gave back some of its gains from earlier in the year, following slower growth and broader weakness across insurance stocks during the second quarter. In the first quarter, premium growth came in below forecasts and slowed relative to the prior quarter due to rising competition and lower pricing in certain business lines. Even so, earnings beat expectations due to stronger underwriting margins and lower tax rates. We continue to own the stock due to Arch's strong management team and our expectation of significant growth in earnings and book value over time.

Global ski resort company **Vail Resorts, Inc.** detracted from performance on investor concerns about slowing visitation levels and the potential impact on early season pass sales for the upcoming ski season. The return of former CEO Rob Katz added uncertainty about the company's future strategic direction, further pressuring shares. We remain investors. Vail continues to deliver consistent revenue and earnings, with roughly a third of revenue already secured in advance of the season, providing strong financial visibility and enabling more effective operational and strategic planning. We view Katz's return positively and expect his emphasis on guest experience, pricing, and targeted acquisitions to reignite growth. Combined with a well-covered mid-single-digit dividend yield and a strong balance sheet that supports strategic growth through M&A, reinvestment in the portfolio, and share repurchases, we see an attractive long-term opportunity and the potential for multiple expansion from multi-year lows.

Gaming and Leisure Properties, Inc. is a triple net REIT that owns and leases casino properties. Shares declined during the quarter amid investor concerns that interest rates would remain higher for longer, making the company's 6% dividend yield relatively less attractive. We remain shareholders. Gaming and Leisure Properties is collecting 100% of its rent, increasing rental rates by 2% annually, and growing its dividend at a low- to mid-single-digit rate per year. With a robust balance sheet and strong free cash flow profile, we believe the company is well positioned to continue making acquisitions and returning capital to shareholders through dividends. In our view, the current yield remains compelling and, when combined with earnings growth, should drive attractive returns over time.

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 6/30/2025, we held 21 investments. The median market capitalization of these growth companies was $31.1 billion. The top 10 positions represented 86.9% of total investments. Leverage was 8.7%.

During the quarter, we disposed of approximately 14% of our Tesla position via redemption in-kind. As explained previously in this letter, we are extraordinarily confident in the company's prospects and ability to become a significantly more valuable business. The Fund completed its purchase of Tesla shares in 2016 with an ending portfolio weight of 9.6% of total investments. Its current average cost in the Fund is only $12.60 per share. Due to significant appreciation in the stock, the position increased to 30.6% of the portfolio's total investments at the start of the recent quarter. Despite offsetting some of the volatility caused by the position's weight with more stable and uncorrelated investments, Tesla's stock movements caused increased variability in the entire portfolio. We entered into an agreement with a large investment bank to dispose of a portion of the holdings through a redemption in-kind because, we believe, it would have minimal impact on the share price and no transaction costs. Tesla remains the Fund's top holding, by far. The disposition was a portfolio construction decision rather than a reflection of reduced confidence in the business.

The long-term absolute and relative performance of the Fund has been very good. The Fund has returned 16.80% annualized since conversion to a mutual fund on April 30, 2003, exceeding the Index by 4.76% per year.

The Fund's performance has also meaningfully 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 modest 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 environment has 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 six months of 2022 and in the first half of 2025 is responsible for the Fund's three-year return trailing the Index. And as discussed earlier in this letter, there is a current change in the macro and political environment.

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.

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 of $10,000	Annualized Return (%)	Value of $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 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.

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Performance in Challenging Times: Outpacing the Index

	Internet Bubble to Financial Panic 12/31/1999 to 12/31/2008		COVID Pandemic to Macro-Downturn 12/31/2019 to 12/31/2022		Performance in All Times Since Inception 1/31/1992 to 6/30/2025	
	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	15.16	1,117,421
Russell Midcap Growth Index	(4.69)	6,488	3.85	11,200	10.41	273,734
Russell 3000 Index	(2.95)	7,634	7.07	12,273	10.51	282,147

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-19 (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 25.63% compared to the Index's annualized return of 23.27%. 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 if 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 $1,117,421 on June 30, 2025. That same $10,000 hypothetical investment in a fund designed to track the Index would now be worth $273,734, only about 24% of what it would have been worth if invested in the Fund.

Top 10 holdings

	Year Acquired	Market Cap When Acquired ($B)	Quarter End Market Cap ($B)	Quarter End Investment Value ($M)	Percent of Total Investments (%)
Tesla, Inc.	2014	21.9	1,023.2	2,428.5	30.5
Space Exploration Technologies Corp.	2017	21.6	349.1	1,366.7	17.2
CoStar Group, Inc.	2005	0.7	33.9	564.4	7.1
Arch Capital Group Ltd.	2002	0.6	34.1	562.2	7.1
Hyatt Hotels Corporation	2009	4.2	13.3	462.2	5.8
The Charles Schwab Corporation	1992	1.0	170.4	401.5	5.0
IDEXX Laboratories, Inc.	2013	4.7	43.1	332.5	4.2
FactSet Research Systems Inc.	2007	2.7	17.0	286.3	3.6
Gartner, Inc.	2013	5.7	31.1	266.8	3.4
Vail Resorts, Inc.	2008	1.6	5.8	235.7	3.0

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.

Ronald Baron
CEO
Portfolio Manager

Michael Baron
Co-President
Portfolio Manager

[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.

* As of 6/30/2025, the annualized returns of the Morningstar Large Growth Category average were 16.92%, 14.79%, 14.30%, and 5.29% for the 1-, 5-, 10, and 15-year periods, respectively.

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.

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).

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QUARTERLY LETTER | JUNE 30, 2025

Baron Emerging Markets Fund®

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

Michael Kass
Portfolio Manager

Dear Baron Emerging Markets Fund Shareholder,

Performance

Baron Emerging Markets Fund® (the Fund) gained 15.39% (Institutional Shares) during the second quarter of 2025, while its primary benchmark, the MSCI Emerging Markets Index (the Benchmark), appreciated 11.99%. The MSCI Emerging Markets IMI Growth Index (the Proxy Benchmark) gained 14.56% for the quarter. The Fund solidly outperformed the Benchmark while more modestly exceeding the Proxy Benchmark during a strong quarter for global equities marked by a tempering of the Trump Administration's tariff aggression. We were pleased with our quarterly results and have now handily exceeded both the Benchmark and Proxy Benchmark on a year-to-date and one-year trailing basis.

Annualized performance (%) for period ended June 30, 2025

	Fund Retail Shares[1,2]	Fund Institutional Shares[1,2]	MSCI Emerging Markets Index[1]	MSCI Emerging Markets IMI Growth Index[1]
3 Months[3]	15.23	15.39	11.99	14.56
6 Months[3]	18.63	18.85	15.27	14.99
1 Year	19.78	20.11	15.29	16.39
3 Years	9.87	10.18	9.70	9.63
5 Years	5.38	5.65	6.81	5.52
10 Years	4.35	4.63	4.81	5.40
Since Inception (12/31/2010)	4.36	4.63	2.90	3.75

In our view, the principal catalyst driving global capital markets during the past quarter was the deferral and perceived pivot in U.S. trade/tariff policy, combined with strong momentum towards Congressional passage of a comprehensive and pro-growth tax reduction and fiscal spending bill. This, in effect, reversed the pattern established in the first quarter where isolationist foreign policy and global trade protectionism appeared to be prioritized over domestic spending and tax reform. From our perspective, while the near-term transactional pivot is a relief, we believe the U.S. remains committed not only to a withdrawal from the decades-long and multilateral security and trade equilibrium, but also to a meaningful reduction in the U.S. current account deficit. Thus, we remain of the view that regardless of final tariff rates, there is ongoing risk of retaliation and/or compromised demand for U.S. goods and services, as well as a meaningfully weaker U.S. dollar and an associated paradigm shift in capital flows in the direction of non-dollar assets. We are encouraged that notwithstanding the tariff deferral, passage of key pro-growth U.S. legislation, and a global equity recovery, the U.S. dollar made fresh lows and emerging market (EM) and international equities outperformed during the quarter, supporting in our view the likelihood that non-U.S. equities have entered a sustainable outperformance cycle. Of course, we are even more encouraged by the strong absolute and relative performance of the Fund over the recent quarter and past year, and remain optimistic that our fundamental, theme-driven and bottom-up approach is well-suited to the foreseeable environment of significant technological and geopolitical change.

For the second quarter of 2025, we comfortably outperformed the Benchmark while also outperforming our all-cap EM growth Proxy Benchmark. From a sector or theme perspective, our large overweight positioning together with solid stock selection effect in the Industrials sector, driven by a handful of investments across our sustainability/ESG (**HD Korea Shipbuilding & Offshore Engineering Co., Ltd.** (KOSI), **HD Hyundai Heavy Industries Co., Ltd.** (HHI), and

NON-U.S./GLOBAL

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 30, 2025 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.

Doosan Enerbility Co., Ltd.) and global security/supply chain diversification (**Hanwha Systems Co., Ltd.** and **Korea Aerospace Industries, Ltd.**) themes, was the largest contributor to relative performance this quarter. In addition, favorable stock selection effect in the Financials sector, primarily attributable to our India wealth management/consumer finance related holdings (**JM Financial Limited**, **Nippon Life India Asset Management Limited**, **Jio Financial Services Limited**, and **Nuvama Wealth Management Limited**), was also a notable contributor to relative results. Select positions across Latin America such as **Credicorp Ltd.**, the leading financial services company in Peru, and **XP Inc.**, a Brazil-based digital brokerage firm, also contributed within Financials. Lastly, positive allocation effect combined with good stock selection in the Energy sector also bolstered relative performance. Partly offsetting the above was adverse stock selection effect in the Health Care sector, owing to a couple investments in our China value-added theme (**Zai Lab Limited** and **Wuxi Biologics (Cayman) Inc.**). Our modest cash position in a rising market also had a negative impact on relative results during the period.

From a country perspective, our overweight positioning together with strong stock selection effect in Korea added the most value this quarter. We remain optimistic about our investments in Korean shipbuilders (KOSI and HHI) that are entering a multi-year growth cycle with attractive profitability metrics, while also benefiting from geopolitical tailwinds leading to increased collaboration with the U.S. Navy, among other global defense related opportunities. Another notable contributor within Korea was Doosan, a leading manufacturer of nuclear power equipment and gas turbines, that is expected to benefit from a global nuclear power upcycle, driven by power requirements for AI datacenters as well as industrial decarbonization and rising demand for nuclear energy as a strategic asset amid rising geopolitical tensions. Solid stock selection effect in India, owing to many of the above-mentioned holdings, was also a notable contributor to relative results. We are encouraged with the continued recovery of Indian equities from the lows of February and have growing conviction that many of our holdings are entering an earnings upgrade cycle owing to improving economic growth that is being driven by a rebound in government infrastructure spend, recent tax cuts, and favorable monetary stimulus measures enacted by the Reserve Bank of India. Lastly, our lack of exposure to Saudi Arabia, which was the worst performing EM jurisdiction during the quarter, also bolstered relative performance. Partially offsetting the above was adverse stock selection effect in China. Many of our China related holdings, including **Full Truck Alliance Co. Ltd.**, **China Mengniu Dairy Co. Ltd.**, Zai Lab, and **BYD Company Limited**, consolidated prior period gains which is not a surprise to us. After a strong rally in Chinese equities year-to-date, driven by an improving forward-looking earnings outlook and technological innovation typified by the groundbreaking AI development at "DeepSeek," valuations are no longer at deep discounts, which makes us somewhat cautious in the near term, particularly given ongoing uncertainty regarding global trade policy. We have accordingly reduced our exposure to China and are now modestly underweight the country as of the end of the quarter. Finally, our underweight positioning in Taiwan, during a period of recovery for global technology and semiconductor stocks, also detracted from relative results.

Top contributors to performance for the quarter

	Contribution to Return (%)
Taiwan Semiconductor Manufacturing Company Limited	2.71
HD Korea Shipbuilding & Offshore Engineering Co., Ltd.	2.35
HD Hyundai Heavy Industries Co., Ltd.	1.08
Doosan Enerbility Co., Ltd.	0.72
Hanwha Systems Co., Ltd.	0.61

Semiconductor giant **Taiwan Semiconductor Manufacturing Company Limited** (TSMC) contributed to performance during the second quarter, driven by robust demand for AI chips and easing investor concerns about tariffs and macroeconomic risks. We retain conviction that TSMC's technological leadership, pricing power, and exposure to secular growth markets—including AI and 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.

HD Korea Shipbuilding & Offshore Engineering Co., Ltd. is the shipbuilding and offshore engineering sub-holding company of HD Hyundai, overseeing key affiliates including HHI, a leading global shipbuilder and engine manufacturer. Shares rose during the quarter on improving profit margin visibility, backlog growth, and increasing evidence of a sizable long-term opportunity in the naval and defense business. The stock also benefited from broader strength in Korean equities—particularly among chaebol-affiliated companies (large family-controlled conglomerates)—following the Korean presidential election outcome, which is expected to lead to shareholder-friendly corporate governance reforms. We continue to hold shares and remain confident in the company's long-term outlook.

HD Hyundai Heavy Industries Co., Ltd. is a leading global shipbuilder and engine manufacturer. Shares rose during the quarter on improving profit margin visibility, backlog growth, and increasing evidence of a sizable long-term opportunity in the naval and defense business, including potential partnerships with the U.S. military. HHI also benefited from broader strength in Korean equities—particularly among chaebol-affiliated companies (large family-controlled conglomerates)—following the Korean presidential election outcome, which is expected to lead to shareholder-friendly corporate governance reforms. We continue to hold shares and remain confident in the company's long-term outlook.

Top detractors from performance for the quarter

	Contribution to Return (%)
Alibaba Group Holding Limited	(0.67)
Meituan	(0.34)
Full Truck Alliance Co. Ltd.	(0.23)
China Mengniu Dairy Co. Ltd.	(0.19)
Sigma Lithium Corporation	(0.19)

Alibaba Group Holding Limited is the largest retailer and e-commerce company in China. Alibaba operates shopping platforms Taobao and Tmall, and has businesses spanning logistics, local services, digital media, and cloud computing. Shares of Alibaba were pressured by quarterly results that were solid but fell short of elevated investor expectations, as well as heightened macroeconomic and geopolitical uncertainty impacting international stocks following Liberation Day. Alibaba is actively pursuing Artificial General Intelligence, 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 continued 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.

Meituan is China's largest food delivery platform and the leading super app for local services. Shares declined during the quarter amid intensifying domestic competition and increased spending on international expansion. Earlier this year, JD.com—a major Chinese e-commerce company—entered the food delivery space, triggering an industry-wide subsidy war. Meituan and Alibaba's Ele.me (the second-largest platform in the industry) rolled out aggressive discounts to defend share across food delivery and the fast-growing Quick Commerce segment. Despite Meituan's deep logistics network, robust technology stack, and proven operational expertise, these initiatives pressured near-term earnings as the company increased support for merchants and couriers. At the same time, Meituan is investing to build its presence in new markets such as the Middle East and Brazil. While we trimmed our position in light of these near-term headwinds, we continue to view Meituan as one of China's most competitively advantaged and efficiently managed consumer internet companies, with significant long-term growth potential overseas.

Full Truck Alliance Co. Ltd. (FTA), China's leading digital freight platform, detracted from performance during the quarter. While FTA delivered strong quarterly results, with solid revenue growth and margin improvement, it reported muted earnings guidance and revised its full-year profit forecast lower to reflect increased AI investment and anticipated losses from planned acquisitions, which disappointed the market. Shares were also pressured by growing concerns over the potential delisting of FTA's American Depositary Receipts from U.S. exchanges, fueled in part by fears that the Trump administration could take a harder stance on Chinese listings. This is particularly concerning for FTA, which does not yet have a Hong Kong listing, though the company is actively preparing for one. We retain conviction in FTA's growth outlook, supported by expanding market share, higher take rate potential, and long-term benefits from its strategic investments in AI and logistics technology.

Portfolio Structure

Top 10 holdings

	Percent of Net Assets (%)
Taiwan Semiconductor Manufacturing Company Limited	9.3
Tencent Holdings Limited	4.4
HD Korea Shipbuilding & Offshore Engineering Co., Ltd.	3.7
Bharti Airtel Limited	2.7
Alibaba Group Holding Limited	2.4
Bajaj Finance Limited	2.3
Contemporary Amperex Technology Co., Limited	2.1
Full Truck Alliance Co. Ltd.	2.0
HD Hyundai Heavy Industries Co., Ltd.	1.9
Kingdee International Software Group Company Limited	1.9

Percentage of securities by country

	Percent of Net Assets (%)
India	29.4
China	26.4
Korea	16.3
Taiwan	13.2
Brazil	4.5
Poland	2.1
Peru	1.8
Philippines	1.1
South Africa	1.0
Mexico	1.0
Argentina	0.9
Greece	0.8
United Arab Emirates	0.5
Spain	0.5
Russia	0.0*

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

Recent Activity

During the second 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 an investment in **Doosan Enerbility Co., Ltd.**, a leading power equipment and engineering company in South Korea. The company's core business segments include the design and manufacturing of nuclear power equipment and gas turbines, and the construction of nuclear power plants and combined-cycle power plants (CCPPs). In our view, Doosan is well positioned to benefit from a global nuclear power upcycle, driven by a step-function increase in power demand for AI-related data centers, industrial decarbonization, and the rising demand for nuclear energy as a strategic asset amid rising geopolitical tensions. The company is a key player across the entire nuclear value chain, from forging and manufacturing to engineering, procurement, construction (EPC) and decommissioning. Doosan has a strong track record of supplying core nuclear reactor components for conventional nuclear power plants. In addition, Doosan is establishing itself as a foundry for small modular reactors (SMR), serving as a global manufacturing hub for next-generation nuclear technology components. We believe the company will benefit from growing order momentum through partnerships with leading global SMR developers, including TerraPower, NuScale Power, and X-energy. We are also excited about the opportunity in the CCPP segment, driven by the rising demand for faster-to-deploy, lower-carbon sources of energy. In our opinion, Doosan is well positioned to capitalize on this growth given its expertise in gas turbine manufacturing and EPC execution. We expect the company to generate mid-teens compound revenue growth and deliver rising profit margins over the next three to five years.

During the quarter, we also added to our China value-added theme by building positions in **Zhejiang Sanhua Intelligent Controls Co., Ltd**. and in **Pony AI Inc.** (Pony.ai). As the world's largest manufacturer of air-conditioning and refrigeration components and a global leader in automotive thermal management system modules, Sanhua is a critical supplier to major global appliance brands and top electric vehicle (EV) companies, including Tesla. Being an early mover in overseas expansion, the company has established a global production and sales network that enables it to dynamically respond to changes in local demand, accelerate innovation, and ensure delivery of high-performance solutions worldwide. Driven by its robust R&D capabilities and comprehensive global footprint, we expect Sanhua's core business to deliver solid mid-teens earnings growth as EV adoption accelerates globally. In addition, the company's expertise in precision components such as electronic expansion valves and a decade-long Tesla partnership could give the firm a distinctive edge in the rapidly emerging field of humanoid robotics, a potential multi-decadal growth driver that could significantly expand Sanhua's addressable market.

Pony.ai is a global leader in autonomous mobility. We expect China's robotaxi market to evolve into a multi-billion-dollar industry over the next five to ten years, fueled by advancing AI technology, supportive government policies, and a superior user experience. The company is well positioned as an early mover, becoming the first corporate entity to secure regulatory licenses to operate fully driverless vehicles in all four Tier-1 cities in China. This achievement reflects Pony.ai's industry-leading technology and exceptional safety track record, backed by millions of accumulated driverless miles. Pony.ai's latest-generation autonomous vehicle, set to roll out in the second half of 2025, delivers a 70% bill-of-materials cost reduction, which we believe will allow the company to rapidly scale robotaxi commercialization. Leveraging strategic partnerships with automotive giants like Toyota, GAC, and BAIC for mass production, Pony.ai's robotaxi fleet is projected to scale to tens of thousands of vehicles over the next five years. In our view, this expansion will enable the company to achieve strong network effects and highly profitable unit-level economics. Over the long run, we expect Pony.ai to maintain dominant market share and strong pricing power, given the robotaxi industry's formidable barriers to entry, including cutting-edge technological requirements, substantial capital investment, and extensive regulatory approvals. While Pony.ai's near-term focus remains on the vast China market, the company has already forged collaboration agreements to extend its robotaxi services worldwide, including in Europe, Asia, and the Middle East. In our opinion, Pony.ai's cost advantages and technological leadership will make it highly competitive against global peers in these new markets.

During the quarter, we also increased exposure to our digitization theme by initiating a position in **Eternal Limited**, India's largest food delivery and quick commerce platform. In our view, Eternal, with a dominant market share of 55%, is well positioned to capitalize on the structural growth of online food delivery, a duopoly market in India that remains significantly underpenetrated relative to global peers. This industry structure supports a rational pricing environment with increasing visibility into long-term profitability. We are also excited about Eternal's fast-growing quick commerce segment, which is disrupting India's offline retail and e-commerce industries by offering delivery of groceries, apparel, packaged food, and electronic goods within 15 minutes of ordering. Consumers can now get an iPhone or Samsung smartphone delivered in under 15 minutes versus waiting more than a day while ordering from other e-commerce platforms. India's total addressable retail market for quick commerce players exceeds $400 billion, with current penetration less than $10 billion, providing a significant multi-year growth opportunity. Eternal has emerged as the market leader in quick commerce, with approximately 40% market share, driven by its superior logistics infrastructure, focus on customer experience, and visionary management team. We believe the company will continue to benefit from structural growth in online food delivery and quick commerce, with the potential to triple its revenue while improving profitability over the next five years.

Finally, we initiated an investment in **GPS Participacoes e Empreendimentos S.A.**, Brazil's leading provider of outsourced facilities management and corporate services. The company operates across a broad range of essential services—including cleaning, security, maintenance, food services, logistics, and specialized industrial support—serving clients in sectors such as health care, industrials, logistics, and commercial real estate. GPS' scale, operational efficiency, and decentralized structure give it a unique competitive advantage in a fragmented market, allowing it to offer tailored, cost-effective solutions to a diverse client base. The company has a strong track record of organic growth and disciplined M&A, consistently expanding its service offerings and geographic reach. We are excited about GPS' growth outlook, driven by rising demand for outsourcing as companies seek efficiency, and by the opportunity to consolidate a still highly fragmented industry where GPS is established as the clear leader.

We added to several of our existing positions during the quarter, including **SK hynix Inc.**, **Max Healthcare Institute Limited**, **S.F. Holding Co., Ltd.**, **Contemporary Amperex Technology Co., Limited**, **Kotak Mahindra Bank Limited**, **Trent Limited**, **Piraeus Financial Holdings S.A.**, **Credicorp Ltd.**, and **KE Holdings Inc**.

During the quarter, we also exited several positions including **PT Bank Rakyat Indonesia (Persero) Tbk**, **JD.com, Inc.**, **Techtronic Industries Co. Ltd.**, **Nu Holdings Ltd.**, **Titan Company Limited**, and **WEG S.A.**, as we continue our endeavor to allocate capital to our highest convictions ideas.

Outlook

In early April, President Trump surprised markets with a more extreme proposed tariff regime than expected, which combined with the previous foreign policy shock centered on the withdrawal of support for Ukraine, triggered an abrupt and sharp sell-off in global equities and the U.S. dollar, as well as a rise in long-term U.S. bond yields. This unexpected market reaction presaged that financial, economic, and political constraints would more likely than not lead to some tempering of the Trump Administration's protectionist terms, and on evidence of such, markets bottomed and began to recover. By the end of the quarter, enthusiasm over the deferral of tariffs and the expected passage of the "Big Beautiful Bill," the Administration's comprehensive tax reduction and fiscal spending bill, drove global equities to a new all-time high, more than recovering a near 17% year-to-date decline from peak to trough. While the recovery in equities was impressive, EM equities (MSCI Emerging Markets Index) again outperformed U.S. equities, extending year-to-date outperformance to nearly 1,000 basis points.

Notwithstanding the market's complacency as sentiment shifted from the negative shock to earnings, inflation and earnings multiples implied by aggressive tariffs to the pro-growth Big Beautiful Bill, we stick to our initial conclusion articulated last quarter that U.S. economic nationalism, foreign policy isolationism, and a willingness to declare economic war on allies and adversaries, whether for real or just as negotiating leverage, is a unifying event for such counterparties as well of rest of world consumers and corporates, and in our view, represents a wake-up call for global investors currently underweight non-U.S. equities. Do we remain mired in trade policy uncertainty, or is this simply a negotiating tactic? U.S. trade policy goals remain unclear: does the U.S. wish to maximize tariff revenue or incentivize on shoring of manufacturing? To us, much of this may be noise while the signal is the U.S. withdrawal from decades long and multilateral security and trade pacts, supplanted by a new unilateral approach, which regardless of the tariff rate, still suggests a high risk of retaliation and/or compromised demand for U.S. goods and services. Further, while protectionism appears tempered in the near term, even the low-case tariff regime represents a quadrupling of effective rates entering the year, and uncertainty will remain. Perhaps more important, we believe markets are largely ignoring the longer-term implications of what appears the early innings of a U.S. tilt towards patronage and national service, which we characterized last quarter as potentially usurping the private sector's freedom to allocate capital to its most efficient use, while also capping corporate profitability and/or investor confidence in longer-term earnings growth. This scenario would ultimately require higher risk premium and lower equity multiples on U.S. equities. We maintain conviction that U.S. priorities have shifted abruptly from economic and corporate profit optimization to geopolitics, national security, and domestic manufacturing and labor. The trade deficit will narrow either through higher effective tariffs or a considerably weaker dollar; while tariffs do not lift U.S. competitiveness, a weaker U.S. dollar does, and, as addressed in our previous letter, both suggest a paradigm shift in relative capital flows in favor of foreign assets.

While still early, in our view, in the EM relative outperformance cycle, we see much to be excited about regarding themes, fundamentals, and stocks. Our concentration in Korean shipbuilding, defense and power infrastructure (**HD Korea Shipbuilding & Offshore Engineering Co., Ltd.**, **HD Hyundai Heavy Industries Co., Ltd.**, **Hanwha Systems Co., Ltd.**, **Korea Aerospace Industries, Ltd.**, and **Doosan Enerbility Co., Ltd.**) has delivered quite strong returns year-to-date, building on last year's gains. We believe Korea's strategic role in such sectors is amplified in the current geopolitical environment, and companies we are invested in will benefit greatly given their advanced technology, high-quality, and relatively low-cost structure, mirroring Korean success in semiconductors, autos, EV batteries, and biotechnology manufacturing. These companies are leveraging enhanced pricing power and are well positioned to benefit from shifting geopolitical priorities, EU/Asia/U.S. defense spending, as well as AI data center power requirements. Further, the recent Korean presidential election solidifies a strong mandate for corporate governance and Chaebol reforms, which while in the early innings, has already markedly reduced the traditional valuation discount on Korean equities in general.

While China equities cooled in the recent quarter, they have performed in-line to ahead of solid EM equity returns year-to-date. As we have remarked previously, while we approach this market with caution, we see attractive bottom-up opportunities, and are attracted particularly to companies where Chinese technology and engineering appear at or near world-leading on price/performance basis in key verticals including AI, EV/automated driving, battery/storage technology, humanoid robotics, and advanced logistics platforms (**Alibaba Group Holding Limited**, **Tencent Holdings Limited**, **Kingdee International Software Group Company Limited**, **BYD Company Limited**, **XPeng Inc.**, **Contemporary Amperex Technology Co., Limited** (CATL), **Zhejiang Shuanghuan Driveline Co., Ltd.**, **Jiangsu Hengli Hydraulic Co., Ltd.**, **Meituan**, **Full Truck Alliance Co. Ltd.**, and **S.F. Holding Co., Ltd.**). We believe the Spring of 2025 marks the moment when global investors began re-evaluating China's technology advances and capability on the back of impressive developments by DeepSeek, Huawei, CATL, BYD, Xiaomi, XPeng and others. We anticipate a weaker dollar and a shift in relative inflation impulse to prove a notable tailwind for marginal growth and domestic consumption and investment in EM jurisdictions; we reiterate that Latin America (particularly Brazil), where we have been increasing exposure, is perhaps the most levered region to this shift. We are optimistic that several investments we have made in this region (**Credicorp Ltd.**, **MercadoLibre, Inc.**, **XP Inc.**, **Localiza Rent a Car S.A.**, and **GPS Participacoes e Empreendimentos S.A.**) are in the early stages of an acceleration in earnings growth, while currently trading at modest valuations.

Finally, India, our highest conviction and largest country weighting both absolute and relative, is nearing the highs of last September, after a protracted five month correction. We took advantage of the correction by adding to both existing positions and establishing new investments, and maintain enthusiasm given the attractive secular growth, economic reforms, and productivity, digitization, and geopolitical catalysts we have enumerated on at length in our prior communications and letters (top/key holdings here include **Bajaj Finance Limited**, **Bharti Airtel Limited**, **Indus Towers Limited**, **InterGlobe Aviation Limited**, **JM Financial Limited**, **Max Healthcare Institute Limited**, **Reliance Industries Limited**, **Swiggy Limited**, and **Trent Limited**).

While encouraged by year-to-date absolute and relative performance, we remain optimistic that we are early in a mean reverting performance cycle for the asset class where fundamental, bottom-up investors can prosper. We look forward to our next update and *thank you for investing in Baron Emerging Markets Fund*.

Sincerely,

Michael Kass
Portfolio Manager

[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.

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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QUARTERLY LETTER | JUNE 30, 2025

Baron Global Advantage Fund®

Retail Shares: BGAFX | Institutional Shares: BGAIX | R6 Shares: BGLUX

Alex Umansky
Portfolio Manager

Dear Baron Global Advantage Fund Shareholder,

Performance

We had a great quarter.

Baron Global Advantage Fund (the Fund) gained 22.7% (Institutional Shares), compared to the 11.5% gain for the MSCI ACWI Index (the Index), and the 17.3% gain for the MSCI ACWI Growth Index, the Fund's benchmarks.

Year to date, the Fund is up 11.2%, compared to gains of 10.1% and 9.3% for the benchmarks, respectively.

After two consecutive years of 25%-plus gains, we highlighted being vigilant entering 2025. Broadly speaking, we thought valuations were reasonable, and while there was a lot of momentum and potential positive catalysts, there was also a lot of uncertainty regarding tariffs, DOGE, and wars in Europe and the Middle East. The only thing we were truly confident in was that we were in for a lot of volatility in 2025. On February 19, more than halfway through the first quarter, the Fund was up 10.4%. Just over five weeks later, it ended the first quarter down 9.4%. Writing that quarterly letter, shortly after "Liberation Day," and philosophizing "*that above all else, financial markets dislike uncertainty,*" we were "*expecting some challenging times ahead.*" Naturally, what followed was the best quarter of absolute performance for the Fund since the second quarter of 2020, and the second time in just the last three quarters that the Fund outperformed by a double-digit margin. "*It's tough to make predictions, especially about the future.*" This Yogi Berra truism got us thinking… ***what if we*** actually ***could see the future***? We often talk about a range of outcomes and how within that range, some outcomes are clearly more likely to happen than others. On April 8, 2025, the headlines screamed of doom and gloom, with markets supposedly teetering on the edge of collapse. The New York Times reported: "*Trade War Cascades from Europe to Asia and to the Gulf Coast,*" while the Wall Street Journal emphatically stated: "*Historic turmoil in financial markets left investors with few places to hide.*" The VIX Index, the market's measure of volatility, surged to its highest level since COVID. Now imagine on that same April 8, 2025, a "lucky" investor would receive a verified message from the future that would factually inform him that over the next three months… the Russia-Ukraine war would get worse, tariffs and looming trade wars would remain unresolved, government debt and deficits would continue to grow, that contrary to consensus expectations, there would be *NO interest rate cuts* from the Federal Reserve, and… that U.S. would bomb Iran! How many investors armed with that "predictive" information would want to be long anything other than gold and oil? Well… that happened, and while it was happening the MSCI ACWI Index rose 24%, the S&P 500 Index rose 25%, the MSCI

Annualized performance (%) for period ended June 30, 2025†

	Fund Retail Shares[1,2]	Fund Institutional Shares[1,2]	MSCI ACWI Index[1]	MSCI ACWI Growth Index[1]
3 Months[3]	22.62	22.68	11.53	17.26
6 Months[3]	11.03	11.15	10.05	9.26
1 Year	30.92	31.23	16.17	16.71
3 Years	17.52	17.82	17.35	21.44
5 Years	2.48	2.73	13.65	13.87
10 Years	11.33	11.59	9.99	12.34
Since Inception (4/30/2012)	11.90	12.15	10.16	12.13

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 30, 2025 was 1.22% and 0.96%, 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.

ACWI Growth Index rose 31%, and the NASDAQ Composite Index advanced 34%. The Fund managed to keep up and then some, gaining 36% over the same period of time.

From a quarterly performance attribution perspective, 788bps of our 1,115bps of overall outperformance was driven by stock selection while sector allocation contributed the remaining relative gains. Information Technology (IT) was our best performing sector with our holdings gaining 34%, compared to the 23% gain for the Index, while a meaningful overweight contributed an additional 252bps. Within IT, performance was strongest in systems software, driven by **Cloudflare**, **Snowflake**, **Zscaler**, and **Datadog**, and semiconductors led by **NVIDIA**, **Taiwan Semiconductor** (TSMC), and **indie Semiconductor**. Our second best sector in the quarter was Consumer Discretionary, which contributed 405bps to our relative results, driven entirely by stock selection. Long-term investments and top ten holdings **MercadoLibre** (MELI), **Coupang**, and **Eternal** (formerly known as Zomato) led the way with an average quarterly gain of 34% compared to the 9% gain for the Index.

The Fund outperformed across all market types; developed, emerging, and the "other" category (Argentina), with the U.S. contributing 905bps to our relative returns *despite being 20.8% underweight*. Argentina (driven by MELI) and Korea (Coupang) rounded out our top three countries for the quarter, adding an additional 253bps.

From an absolute return and stock specific perspective, the second quarter saw a V-shaped recovery as many of our biggest losers from the March quarter were among the biggest winners in June. NVIDIA, Datadog, **Shopify**, and Eternal, the Fund's four biggest losers in the first quarter, detracting 434bps, were now among our top 10 contributors, adding 704bps (combined) to absolute gains. Overall, we had 28 contributors against just 6 detractors, with many big winners and just a few underperformers of note. Twenty of our investments posted quarterly gains of over 20%, while Cloudflare, NVIDIA, Snowflake, Zscaler, **CrowdStrike**, and indie Semiconductor appreciated over 40% each. Our top 8 contributors added over 100bps each, while on the other side of the ledger, the 6 decliners combined to cost the Fund 125bps.

Despite a strong market recovery, investors continue to be hyper-focused on the day-to-day news flow. The significant drawdowns experienced around "Liberation Day" and the subsequent recovery to new highs are the most recent examples of the stock market's momentous volatility and short termism. We can state with a high degree of confidence that the fundamentals of our businesses, while not immune, are much more stable. Many of our core holdings saw significant declines in their stock prices in the first half of this year, while their business fundamentals AND our estimates of their intrinsic values continued to rise. A couple of glaring examples:

- NVIDIA's stock price had a 37% drawdown during the first half of 2025. The "DeepSeek moment" was misunderstood or misinterpreted by investors. We argued in the last quarterly letter that it will actually drive an expansion in demand for inference reasoning AI. On its most recent earnings call, Microsoft's CEO stated: "*We processed over 100 trillion tokens this quarter, up 5x year-over-year, including a record 50 trillion tokens last month alone.*" After spending the better part of a week at NVIDIA's developer conference (you can read details about it in the last quarterly letter) we were all bulled up with "*a line of sight to projects requiring* ***tens of gigawatts of NVIDIA AI infrastructure*** *in the not-too-distant future*[4]" with every gigawatt representing a "***$40 billion to $50 billion opportunity for NVIDIA.***" Finally, scaling laws have expanded from the original pre-training scaling (the model's quality improves with more compute, more data, and a larger model size) to post-training (teaching models to be more task-specific) and time-test scaling (thinking longer on more complex questions) – which all drive demand for graphics processing units (GPUs). Our conviction that NVIDIA is at the epicenter of the most transformative technology of our lifetime (which is saying a lot since we have all experienced the Internet, the Smart phone, and the Cloud) remains unshaken.
- MELI had a maximum drawdown of 21%, likely driven by a decision to reduce its minimum threshold for free shipping (as well as the general market weakness). We liked the initiative, which we think could drive up purchase frequency, since MELI customers on average buy 9 to 10 times per year, versus almost 50 times for Amazon. The rapid improvement in Argentina's economy is beneficial to MELI, by far the largest e-commerce player in the country with around 65% market share (next player is less than 10%) and the country has a significant runway for e-commerce penetration which is still only in the mid-teens. In fintech, MELI has seen strong, broad-based growth with 43% year-on-year growth in total payments volume (TPV), 75% growth in the credit portfolio, and 111% growth in credit cards, while also increasingly becoming the main bank for customers as it attracts deposits. Our estimate of MELI's intrinsic value has risen considerably over time.
- The shares of Cloudflare had a maximum drawdown of 45% during the first half, while we believe the intrinsic value of the business has only grown. Cloudflare is rapidly becoming a more important vendor for its customers with $1 million and $5 million customers growing 48% and 54% year-over-year, respectively, while the company also booked a milestone ***contract of over $130 million*** during the quarter. The company is seeing strong early success with its AI offering enabling customers to run AI models on top of Cloudflare's global network. Cloudflare has a strategic advantage in having its network closer to end consumers, reducing latency which is critical for AI inferencing. Cloudflare Workers AI inference requests were up "nearly 4,000% year-on-year." While the stock is expensive by any measure, we continue to believe that Cloudflare is an important company whose fundamentals continue to get stronger.
- Datadog's shares had a correction of 43% during the first half. At the same time, we judged their reported financial results to be strong and improving. The company demonstrated success expanding into the lucrative enterprise segment with new logo annual contract value up 70% year-on-year and gross retention of existing logos exceeding 99%. Datadog is seeing success with AI native companies, serving 8 of the top 10 AI companies including OpenAI, Anthropic, Cursor, Scale AI, and Replit. Four of these customers tripled spending with Datadog in 2024. Datadog's innovation velocity helps strengthen its platform, and underpins a long duration of growth, supported by continual annual share gains.

Separating Signal from Noise and Alpha versus Beta

We live in the Information Age. It has become increasingly more challenging to filter out the irrelevant information directed at us from every conceivable channel. It is estimated that the amount of information created every two days is equivalent to all information created from the beginning of human civilization to 2003[5] and that data is doubling every three years[6].

On the one hand, having more data is great! Accurate, high-quality data enables better analysis and expands our circle of competence. We can learn new subjects and master new areas faster, and in more detail, than ever before, which expands our opportunity set across all market caps and geographies. On the other hand, the constant flow of information creates significant risks. It is time consuming (just going over emails probably detracts as much value as it adds), it can create a false sense of confidence (leading to confirmation bias and general overconfidence), and it makes it harder to separate the signal from the noise – which is so critical in decision making. In short, the wide availability of high-quality data makes the investing world more competitive, while information overload makes it even harder to earn alpha.

Long-term investors must hone their ability to separate the signal from the noise. During the periods of heightened market and stock price volatility it is easy to confuse the deterioration in the sentiment and the overall investing environment for a structural change in companies' fundamentals. It is harder to have the courage of conviction and not to overreact to news that has clear short-term consequences but uncertain long-term effects. We try to filter out the noise by focusing our time and research on what matters for the long-term value creation of the business. How unique is it? Does it solve real and difficult problems for its customers? Is it a beneficiary of disruptive change? How big is the opportunity? Is it run by a management team that thinks and acts like long-term owners of the business? Does it have competitive advantages that are sustainable? Does it demonstrate attractive unit economics? Does it have pricing power? And so on, and so forth…

We believe that over the last 25 years, overemphasis of short-term, news driven, macro-focused, data points and events caused many investors to sell the biggest winners of our generation too early, or to avoid them altogether. Many investors choose to keep away from highly volatile stocks in an effort to "manage" market volatility or to lower the Beta of a portfolio. It certainly paid off when the dotcom bubble burst and Amazon's stock went to 30 cents (split adjusted). But it did not hold up to the test of time with Amazon trading at $225 per share now. *Since its IPO in January 1999, NVIDIA lost more than half of its value SEVEN times, before becoming the most valuable company on the planet*. Shopify had one such drawdown but is up 30-fold in the last decade, while MELI had two declines over 50% and is up 18 times over the same timeframe. Many of our investments have endured, and will likely continue to endure, heightened volatility on their journeys. Cloudflare (up 12 times since the IPO less than six years ago), **Bajaj Finance** (13 times over the last decade), **argenx** (33 times since IPO eight years ago), and of course, **Tesla**, a super volatile stock since its public debut in June of 2010, up nearly 300 times since then. Over our 30-plus years of allocating capital, these are just a handful of examples where we have experienced significant short-term beta translate into real long-term alpha.

Once again, we believe 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. Once again, we have looked into what we could potentially do to mitigate its impact on the portfolio, and once again, we have concluded that it would 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. 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 (both down, AND up), 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!

Top contributors to performance for the quarter

	Quarter End Market Cap ($B)	Contribution to Return (%)
Cloudflare, Inc.	67.9	3.68
MercadoLibre, Inc.	132.5	3.33
NVIDIA Corporation	3,855.0	3.29
Coupang, Inc.	54.4	1.80
Shopify Inc.	149.8	1.71

Cloudflare, Inc. offers enhanced security and performance for websites, applications, and software-as-a-service, and is increasingly well positioned to help power AI-enabled applications at the edge. Shares increased 74.4% after Cloudflare reported solid quarterly results, with revenues rising 27% year-over-year, slightly above expectations. Results were boosted by a $130 million-plus deal, the largest in the company's history, driven by demand for its Workers platform, which allows developers to build and deploy applications at the edge for faster performance. The deal represented a competitive win, with the customer choosing Cloudflare over a major hyperscaler due to faster development time and better total cost of ownership. Cloudflare also continued to improve its go-to-market execution, including stronger sales productivity, improved pipeline attainment, and solid customer growth. Management noted record additions of customers spending over $1 million and $5 million annually, while churn remained stable and dollar-based net retention held steady at 111%. We continue to have high conviction in Cloudflare, given its differentiated platform, capable management team, and significant long-term growth opportunity.

MercadoLibre, Inc., the leading e-commerce marketplace across Latin America, contributed to performance as shares rose 34.0%. Performance was driven by better-than-expected quarterly results across gross merchandise value (GMV) – up 40% year-on-year, TPV – up 43%, revenues – up 37%, and EBIT margin up 70bps to 12.9%. The margin outperformance was driven largely by Argentina, where revenues grew to 34% of the total in 1Q25 (up from 14% a year ago) while Argentina is structurally more profitable than other geographies. This helped offset expected margin pressure from ongoing investments in new distribution centers and the expansion of the credit card portfolio. Management noted solid business momentum in Argentina, supported by a more favorable macro backdrop, including falling interest rates that are boosting credit demand, lowering funding costs, and driving higher consumption. In 1Q25, the number of items sold in Argentina rose 52% year-over-year, and MELI continues to gain GMV share in the region. We remain excited about the company's long-term prospects given the still-low penetration of e-commerce and financial services in Latin America, and MELI's category leadership in both segments.

NVIDIA Corporation is a fabless semiconductor company specializing in compute and networking platforms for accelerated computing. Its dominant position in AI infrastructure with a comprehensive portfolio spanning GPUs, systems, software, and high-performance networking solutions, continues to drive strong performance. Shares rose 45.8% during the quarter as increasing data points emerged that the AI cluster buildout is likely to be durable, with NVIDIA maintaining its leadership, driven by scaling laws expanding outside of pre-training, demand for reasoning-based inference accelerating following DeepSeek and AI factory investments starting to realize. The company also removed all AI-related revenue contributions from China, effectively de-risking that part of the business. We maintain a long-term constructive view, as leading AI labs show growing confidence in their ability to achieve human-level intelligence and deploy AI products in enterprise settings. 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.

Top detractors to performance for the quarter

	Quarter End Market Cap ($B)	Contribution to Return (%)
Endava plc	0.9	(0.38)
argenx SE	33.7	(0.30)
Globant S.A.	4.0	(0.26)
PDD Holdings Inc.	148.6	(0.17)
BILL Holdings, Inc.	4.8	(0.12)

Shares of IT services provider **Endava plc** declined 21.5% in the second quarter due to a continuation of soft demand trends. Organic revenue fell modestly in the recent quarter due to a slowdown in new projects. Management trimmed their revenue outlook to reflect slower pipeline conversion and incremental currency impacts. We remain invested because we expect these headwinds to abate over time, leading to better growth as clients return to investing in digital transformation.

Argenx SE is a biotechnology company best known for developing Vyvgart, the leading FcRn inhibitor for the treatment of autoimmune conditions. Shares declined 6.8% after Q1 Vyvgart sales came in below elevated investor expectations, due to a combination of seasonal factors (such as insurance reverification) and higher Medicare Part D utilization and associated discounts. Our conversations with management and neurologists continue to reinforce Vyvgart's value as an important treatment option with strong long-term growth potential. The drug continues to launch well in both generalized myasthenia gravis and chronic inflammatory demyelinating polyneuropathy. Over time, we expect Vyvgart to demonstrate efficacy across an expanding range of autoantibody-driven autoimmune conditions, supported by encouraging Phase 2 myositis data recently presented by argenx at a major medical conference.

Shares of IT services provider **Globant S.A.** fell 22.8% after the company reported weaker-than-expected financial results and cut guidance. Revenues grew 7% in the first quarter and are expected to slow further given full-year revenue growth guidance of 2%. Management attributed the slowdown to macroeconomic uncertainty, tariffs, and weakness in certain geographies. Globant's performance had been resilient despite the broader softness in IT services spending, so this slowdown was especially disappointing. We continue to own the stock because we believe Globant has a long runway for growth in a very large global market for IT services.

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 June 30, 2025, the top 10 positions represented 60.1% of the Fund's net assets, and the top 20 represented 83.9%. We ended the second quarter with 40 investments. Note that our top 30 investments represented 96.4% of the Fund.

Our investments in the IT, Consumer Discretionary, Industrials, Financials, and Health Care sectors, as classified by GICS, represented 98.6% of the Fund's net assets. Our investments in non-U.S. companies represented 55.9% of net assets, and our investments in emerging markets and other non-developed countries (Argentina) totaled 32.8% of net assets.

Top 10 holdings

	Quarter End Market Cap ($B)	Quarter End Investment Value ($M)	Percent of Net Assets (%)
Space Exploration Technologies Corp.	349.1	60.6	9.7
MercadoLibre, Inc.	132.5	59.8	9.6
NVIDIA Corporation	3,855.0	56.4	9.0
Shopify Inc.	149.8	53.8	8.6
Coupang, Inc.	54.4	33.3	5.3
Cloudflare, Inc.	67.9	25.8	4.1
Bajaj Finance Limited	67.9	22.2	3.6
Snowflake Inc.	74.7	21.4	3.4
Datadog, Inc.	46.4	20.8	3.3
argenx SE	33.7	20.4	3.3

Percentage of securities by country

	Percent of Net Assets (%)
United States	42.8
Argentina	10.4
Netherlands	8.8
Canada	8.6
India	6.8
Korea	5.3
Brazil	3.2
Israel	2.9
China	2.6
Taiwan	2.5
Poland	1.8
Spain	1.7
United Kingdom	1.2

Recent Activity

During the second quarter, we established two new positions in leading Latin American digital bank, **Nu Holdings**, and aerospace and defense components supplier, **Loar Holdings**.

We also took advantage of stock price volatility and continued to build our position in the leading semiconductor manufacturer, **TSMC**, as well as our newer position in the leading software provider for the trades, **ServiceTitan**. We also added to the leading DNA sequencing tools supplier, **Illumina**, and the electric vehicle manufacturer **Tesla**.

We have reduced 15 existing holdings in order to reallocate capital to investments in which we believe the risk-reward equation to be more attractive from a long-term perspective.

Top net purchases for the quarter

	Quarter End Market Cap ($B)	Net Amount Purchased ($M)
Nu Holdings Ltd.	66.1	11.2
Loar Holdings Inc.	8.1	8.5
Taiwan Semiconductor Manufacturing Company Limited	1,174.7	4.8
Illumina, Inc.	15.1	3.8
ServiceTitan, Inc.	9.7	0.6

During the quarter, we initiated a position in **Nu Holdings Ltd.**, a leading Latin American digital bank operating in Brazil, Mexico, and Colombia. Founded in 2014 to provide Brazilian consumers with better access to financial products, Nu is disrupting a banking system long dominated by an oligopoly of incumbents notorious for high fees, poor service, and limited credit availability. By leveraging a user-friendly, tech-first platform and a relentless focus on customer experience, Nu has already attracted over 100 million users with minimal marketing spend. We believe Nu's success is underpinned by four core advantages: a digital platform that enhances engagement and lowers costs, disciplined credit underwriting, a retail deposit-driven funding base, and a strong, trusted brand. The company continues to scale rapidly, gaining traction in new markets like Mexico and Colombia, and expanding its product suite. In Brazil, Nu already holds a 13% share of the credit card market, and we see similar potential in adjacent markets and products.

We see a long runway for growth given the structural under-penetration of financial services in Nu's core markets. In Brazil, roughly 30% of the adult population remains underbanked, and credit card penetration is only 35%, compared to more than 70% in developed markets. Retail credit penetration (consumer loans as a percentage of GDP) remains low at around 30%, versus about 50% to 60% in mature economies. In Mexico and Colombia, the gaps are even wider as over half of the population is unbanked or underbanked, and credit penetration is below 20% of GDP. Cash still accounts for more than 50% of personal consumption expenditures in these markets, highlighting the significant opportunity to digitize payments and expand credit access. We believe Nu is uniquely positioned to capture this opportunity with its scalable platform and durable cost advantages. We also believe that Nu benefits from a structurally lower customer acquisition cost driven by its virality, which fuels organic adoption. This creates a flywheel effect: Nu's low-cost structure enables more competitive pricing than rivals, enhancing customer appeal, driving viral adoption, and reducing the need for significant spending on paid customer acquisition, further strengthening its efficient customer acquisition funnel. Looking ahead, we expect strong balance sheet growth and increasing monetization per user. We also anticipate a rise in return on equity from 28% to 34% over the medium term, driven by operating leverage and an optimized balance sheet. We are confident that this combination of robust growth and improving profitability positions Nu for strong long-term stock performance.

We recently initiated a position in **Loar Holdings Inc.**, a niche aerospace parts manufacturer founded in 2012. Loar boasts an 85% proprietary product portfolio, with over 50% of its revenue derived from the high-margin aftermarket channel. Proprietary, aftermarket-focused products are among the strongest business models in the aerospace and defense industry, as evidenced by the success of TransDigm. This segment is attractive for several reasons. First, the aerospace industry is growing, with passenger miles increasing faster than GDP at roughly 4% per year. Second, Loar benefits from strong pricing power due to the critical nature of its components, the absence of substitute products (owing to high proprietary content), and high barriers to entry. These components are high-risk, low-cost for airlines, which are reluctant to compromise safety for minimal cost savings (most Loar parts cost less than $1,000). Additionally, substitution of existing parts requires a lengthy and costly FAA approval process, which is often uneconomical for competitors to pursue given the high-variability, low-volume nature of aircraft components (millions of components per aircraft, each with low production volumes). These factors should enable Loar to achieve approximately 10% organic revenue growth and 15% adjusted EBITDA growth. Furthermore, beyond these value drivers, Loar is executing a disciplined acquisition strategy, successfully integrating 17 acquisitions over the past 13 years.

The aerospace supply chain is highly fragmented, with many components supplied by smaller, privately owned businesses that sell to system integrators, Tier 1 or Tier 2 manufacturers, or large original equipment manufacturers. Loar aims to double the EBITDA of acquired businesses within three to five years, focusing on: 1) aerospace and defense businesses; 2) proprietary content and processes; 3) significant aftermarket exposure or the potential to expand it; 4) niche markets or products with strong market positions; 5) opportunities to cross-sell existing products; and 6) long-standing customer relationships. Compared to its peers, Loar places less emphasis on the commercial segment, maintaining a more diversified end-market mix that management believes provides greater stability across economic cycles. This robust M&A strategy has been integral to driving elevated growth since the company's inception, with revenue and EBITDA compounding at 17% and 18%, respectively, over the past five years, and 26% and 35% over the past ten years. We believe Loar has a long runway for growth. In comparison, peer TransDigm generated over $4 billion in EBITDA last year (compared to Loar's $146 million) and continues to grow at a high single-digit to low double-digit rate. Given the strength of Loar's business model and a management team with over a decade of proven success, we believe the company could compound EBITDA organically at a mid-teens rate, further enhanced by accretive M&A, for years to come.

Our largest add during the quarter was **Taiwan Semiconductor Manufacturing Company Limited** as we continued to build our position. We believe that while near-term uncertainty due to tariffs and macro remains heightened, TSMC's competitive positioning in leading-edge semiconductor manufacturing remains unmatched. We also believe that TSMC will benefit from a long duration of growth as the adoption of AI proliferates across industries – and the recent developments in the space which we discussed above (e.g. removal of the AI Diffusion rule, accelerated adoption of reasoning-based AI inference, and the expansion of scaling laws) will serve to further accelerate the adoption of AI. We also like the fact that TSMC will benefit regardless of the ultimate market share split between GPUs and application-specific integrated circuits. It's the ultimate "arms dealer" to AI.

NON-U.S./GLOBAL

We also added to our position in the leading DNA sequencing platform, **Illumina, Inc**. Illumina is the dominant next generation sequencing tools provider, a technique that enables massive amounts of genetic analysis in both research and clinical diagnosis. The stock has come under heavy pressure recently due to a confluence of several factors including: 1) Pricing pressure from transition to the next-gen 'X' platform; 2) China business at risk after getting caught up in U.S./China trade tensions; 3) The new administration's focus on cutting National Institutes of Health (NIH) funding for life sciences; and 4) Roche's competitive launch coming next year.

We believe, however, that the risk reward is quite attractive for long-term investors. The transition to the new 'X' platform masks strong underlying growth of 30% to 40% in recent quarters due to the lower per-genome price – and historically lowering the price of sequencing has been a positive driver of industry growth despite volatility during transition periods. China represents only 5% of the business, while NIH is 10% to 12%. The new Roche tool has not been launched yet – but we believe that given the long runway for growth in the industry and Illumina's strong end-to-end competitive moat, it should maintain a leading positioning in the market.

Fewer than 1% of humans and 0.1% of species have had their DNA sequenced to date. We believe the opportunity is over $40 billion just within the clinical diagnostics segment (with the research market representing an additional multi-billion dollar opportunity), driven by new ways of testing for disease like liquid biopsy (blood-based testing for cancer). Even in a scenario in which Illumina loses ground significantly on their current monopoly position due to competition from the likes of Roche, capturing just 50% of this total addressable market would imply a $20 billion revenue opportunity (about 5 times the size of the entire business in fiscal year 2024). Nevertheless, we believe that Illumina is well positioned to maintain their market share at high levels thanks to the high quality of its offering, its end-to-end workflow and the ecosystem around its offering, from sample prep to sequencing and bioinformatic analytics. This is especially sticky in clinical diagnostics, which face regulatory hurdles and high switching costs. Over a 10-plus year time horizon, we believe that the U.S. will continue to be the premier location for life science research and innovation. And that this innovation in the lab will translate into biopharmaceutical and clinical applications in increasingly impactful ways. Demographic trends mean populations will continue to age and require more care, and genetic sequencing will become an increasingly important part of personalized diagnostics and medicine.

Top net sales for the quarter

	Quarter End Market Cap ($B)	Net Amount Sold ($M)
Cloudflare, Inc.	67.9	25.2
Snowflake Inc.	74.7	4.4
BILL Holdings, Inc.	4.8	4.3
Fiverr International Ltd.	1.1	1.3
Wix.com Ltd.	8.8	1.2

While we continue to believe that **Cloudflare, Inc.** (up 74% during the quarter) and **Snowflake Inc.** (up 53% during the quarter) are high-quality businesses with significant opportunities ahead, we took advantage of market volatility to manage position sizing and to reallocate to other ideas.

Outlook

"*No one knows what will happen short term and we don't really care. Interesting and entertaining but we should not be trying to take advantage of short term vol. 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.*" – Ron Baron, in a note to all research staff during the worst of market volatility earlier this year.

Once again, we believe 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 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. 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 (both down, AND up), 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!

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). After contracting by 10.2% in the first quarter, the weighted average multiple for the Fund expanded by 21.9% in the second quarter. Since the Fund was up 22.7%, fundamentals (or expectations) improved only slightly during the quarter.

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

[†] 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] NVIDIA's 1Q FY2026 earnings conference call.

[5] https://www.frontiersin.org/journals/psychology/articles/10.3389/fpsyg.2023.1122200

[6] https://www.designrush.com/agency/big-data-analytics-companies/trends/how-much-data-is-created-every-day

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.

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).

QUARTERLY LETTER | JUNE 30, 2025

Baron India Fund®

Retail Shares: BINRX | Institutional Shares: BINDX | R6 Shares: BINUX

Michael Kass
Portfolio Manager Adviser

Anuj Aggarwal
Portfolio Manager

Dear Baron India Fund Shareholder,

Performance

Baron India Fund® (the Fund) appreciated 9.15% (Institutional Shares) during the second quarter of 2025, while its relevant benchmark, the MSCI AC Asia ex Japan/India Linked Index (the Linked Benchmark), rose 9.22%. 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 a dedicated India strategy beginning September 1, 2024, the Fund has outperformed the MSCI India Index by 575 basis points.

Annualized performance (%) for period ended June 30, 2025

	Fund Retail Shares[1,2]	Fund Institutional Shares[1,2]	MSCI AC Asia ex Japan/ India Linked Index[1]	MSCI India Index[1]	MSCI AC Asia ex Japan Index[1]	MSCI Emerging Markets Index[1]
3 Months[3]	9.11	9.15	9.22	9.22	12.46	11.99
6 Months[3]	5.78	5.96	6.00	6.00	14.50	15.27
Since Conversion[3] (9/1/2024)	1.48	1.73	(4.02)	(4.02)	14.73	13.12
1 Year	5.56	5.90	(2.28)	0.85	16.81	15.29
3 Years	7.03	7.29	2.93	15.65	9.24	9.70
Since Inception (7/30/2021)	(0.74)	(0.50)	(3.10)	10.14	1.41	1.44

For the second quarter, we performed broadly in line with our Linked Benchmark. We are encouraged with the continued recovery of Indian equities from the lows of February, despite ongoing uncertainties relating to global tariffs and recent geopolitical tensions in the Middle East. Markets also held steady during a brief military skirmish between India and Pakistan in May. We believe investors are beginning to discount growing signs of an economic recovery, driven by a rebound in government infrastructure capex and recent tax cuts for the middle class. An expected normal monsoon season should also be stimulative to the rural economy. In addition, the Reserve Bank of India (RBI) continues to embark on a monetary easing cycle to bolster economic growth, most recently with a surprise 50-basis point cut in June. Year-to-date, the central bank has lowered repo rates by 100-basis points with growing expectations for further easing owing to a benign inflationary environment and a weaker U.S. dollar. We are entering the early innings of an earnings upgrade cycle that, in our view, should support relative outperformance over the foreseeable future. Lastly, the U.S. and India are making good progress toward signing a bilateral trade agreement that should serve as another potential upside catalyst for Indian equities. That said, the Fund has minimal exposure to businesses that export goods to the U.S., giving us comfort on downside protection in the event of an adverse outcome.

NON-U.S./GLOBAL

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 30, 2025 was 7.96% and 6.86%, 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.

From a sector or theme perspective, adverse stock selection effect in the Financials sector, primarily attributable to our consumer finance theme (**Kotak Mahindra Bank Limited**, **Bajaj Finserv Limited**, and **Cholamandalam Investment and Finance Company Limited**), was the largest detractor to relative performance during the quarter. Kotak, a leading private sector bank, is emerging from certain regulatory headwinds which is positioning the company to deliver robust loan growth with improving asset quality going forward. After generating superior returns earlier in the year, Kotak's stock performance was relatively muted during the quarter, which wasn't surprising to us. We remain excited about Kotak owing to improving business prospects along with recent RBI monetary stimulus measures, particularly a 100-basis point cut in the Cash Reserve Ratio, that should further support earnings growth. Our underweight positioning in the Energy sector, which generated double-digit returns during the period, also weighed on relative results. We will typically remain underweight Energy given the commodity/cyclical nature of the sector.

Broadly offsetting the above was solid stock selection effect in the Health Care sector, largely driven by our investments in **Aster DM Healthcare Limited** and **Max Healthcare Institute Limited**, which form part of our formalization of the economy theme. We are optimistic about India's hospital services industry, which is expected to sustain low to mid-teens growth over the next several years. With a rising middle class and growing discretionary incomes, we are witnessing a structural shift in consumer preference toward organized, high-quality, hospital chains that today account for only 5% to 10% of the industry. We believe there is a massive opportunity for industry consolidation to play out over the next few years and expect both Aster and Max Healthcare to be key beneficiaries of this structural trend. Favorable allocation effect and good stock selection in the Communication Services (**Bharti Airtel Limited** and **Indus Towers Limited**), Information Technology (**Centum Electronics Limited** and **Kaynes Technology India Limited**), and Industrials (**Precision Wires India Limited** and **InterGlobe Aviation Limited**) sectors were also notable contributors to relative performance during the quarter.

NON-U.S./GLOBAL

Top contributors to performance for the quarter

	Contribution to Return (%)
Bharti Airtel Limited	1.61
Max Healthcare Institute Limited	0.78
Reliance Industries Limited	0.74
InterGlobe Aviation Limited	0.74
Eternal Limited	0.63

Bharti Airtel Limited is a leading telecommunications company, with operations in 18 countries across Asia and Africa. The company's offerings include wireless services, mobile commerce, and fixed-line broadband. Shares rose on steady earnings and growing visibility into strong future free cash flow generation, as the company has moved past peak capex intensity. As India's dominant mobile operator, Bharti Airtel is benefiting from ongoing industry consolidation. In particular, competitor Vodafone Idea appears on the verge of bankruptcy amid severe pricing pressure and an unsustainable balance sheet. We retain conviction in Bharti Airtel as it continues to transform into a digital services provider and capitalize on rising mobile tariffs.

Max Healthcare Institute Limited is a leading hospital chain in India led by CEO Abhay Soi, a restructuring specialist with expertise in cutting costs and improving return metrics at poorly managed hospitals. These efforts have helped Max Healthcare stand out among its peers with best-in-class EBITDA margins, average revenue per occupied bed, and return on invested capital. Shares rose during the quarter, driven by sustained revenue and profitability growth, as well as strong visibility into network expansion. We are excited about the multi-year growth opportunity for hospital services in India, and we view Max Healthcare as a key beneficiary of ongoing industry consolidation. We expect the company to more than double EBITDA while sustaining mid-teens revenue growth over the next three to five years.

Reliance Industries Limited is India's leading conglomerate, with businesses spanning petrochemicals, refining, and oil- and gas-related operations as well as retail, telecommunications, and media. Shares rose during the quarter due to a strong recovery in retail growth following a period of store rationalization. We believe Reliance is well positioned to leverage its telecommunications network to evolve into a digital services company, with offerings such as video streaming, broadband, and e-commerce services. The company is also laying the foundation to create an online marketplace that will connect roughly 13 million mom-and-pop retailers to over 480 million mobile and internet subscribers. We believe earnings will sustain mid-teens growth over the next three to five years.

Top detractors from performance for the quarter

	Contribution to Return (%)
Tata Consultancy Services Limited	(0.22)
Shaily Engineering Plastics Limited	(0.12)
Siemens Energy India Limited	(0.04)
Kotak Mahindra Bank Limited	(0.04)
REC Limited	(0.03)

Tata Consultancy Services Limited (TCS) is India's largest IT services company. Shares were down due to investor concerns that a slowdown in the global economy could lead to lower discretionary IT spending and a prolonged revenue conversion cycle for TCS. We retain conviction in TCS, as it is uniquely positioned to benefit from structural growth opportunities arising from a multi-year cloud migration journey by global enterprises. Given its large scale and R&D capabilities, we believe the company will continue to capture share from smaller players as customers increasingly consolidate their IT services vendor base. Backed by the renowned Tata Group, TCS enjoys best-in-class corporate governance and a strong leadership bench. In our view, TCS also stands out from competition due to its best-in-class employee retention, which is one of the key drivers of its industry-leading profitability and return profile. We expect TCS to sustain low double-digit earnings growth over the next three to five years and to consistently return at least 80% of profit to shareholders through dividends and share buybacks.

Shaily Engineering Plastics Limited is a leading Indian manufacturer of precision injection-molded plastic components, with diverse product offerings spanning categories such as furniture, pharmaceuticals, and toys. Shares fell during the quarter, likely due to profit-taking, despite the company reporting strong quarterly results and outlining plans for a significant ramp-up in its GLP-1 pen business over the coming year. We remain invested in Shaily, as we believe the company is well positioned to benefit from global supply chain diversification away from China, as well as opportunities in GLP-1 pen manufacturing.

Siemens Energy India Limited (SEIL) is India's leading power equipment manufacturer, offering solutions for power generation and transmission. The company's product portfolio includes power transformers, generators, and gas and steam turbines. SEIL was a modest detractor during the quarter after we received shares as part of a spin-off from Siemens Limited. We retain conviction in SEIL as a key beneficiary of India's ongoing power sector reforms, which are expected to drive a multi-year investment cycle in inter-state transmission infrastructure to meet rising electricity demand and integrate renewable energy sources into the national grid. In our view, SEIL is well positioned to capitalize on this opportunity given its broad capabilities across equipment, services, and engineering, procurement, and construction. We expect the company to deliver over 20% compounded earnings growth 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 June 30, 2025, we held 44 positions with our 10 largest investments comprising 51.0% of net assets.

Our principal investment themes with respective weightings (as of June 30, 2025) are as follows:

- **Formalization of the Economy (28.0% of net assets):** *Economic reforms are accelerating formalization leading to market share gains for organized, branded players across various industries*
- **Consumer Finance (24.7%):** *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 (22.6%):** *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*
- **Global Security/Supply Chain Diversification (10.9%):** *Tectonic shifts in geopolitics are accelerating supply chain diversification (ex-China); significant opportunity for Indian players to gain market share in global supply chains*
- **Power Reforms (6.0%):** *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*
- **Financialization of Savings (4.5%):** *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 June 30, 2025) as follows:

- **Phase 1 (10.0% 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 (18.6%): "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 (46.1%): "Compounders"** – *post scale up, our companies have established durable competitive moats and are well positioned to compound capital and earnings over the next several years*
- **Phase 4 (22.1%): "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*

Top 10 holdings

	Percent of Net Assets (%)
Bharti Airtel Limited	8.5
Max Healthcare Institute Limited	7.3
ICICI Bank Limited	6.4
InterGlobe Aviation Limited	4.8
Reliance Industries Limited	4.7
HDFC Bank Limited	4.7
Bajaj Finance Limited	4.7
Trent Limited	3.4
Cholamandalam Investment and Finance Company Limited	3.3
Tata Consultancy Services Limited	3.1

Fund investments in GICS sectors

	Percent of Net Assets (%)
Financials	29.7
Industrials	13.6
Communication Services	11.2
Health Care	11.2
Consumer Discretionary	10.3
Information Technology	7.5
Energy	4.7
Consumer Staples	4.0
Utilities	2.5
Materials	1.0
Real Estate	0.9
Cash and Cash Equivalents	3.3
Total	**100.0***

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

Recent Activity

During the second quarter, we added one new investment to an existing theme 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 global security/supply chain diversification theme by initiating a position in **Centum Electronics Limited**, a leading electronics manufacturing services provider in India. Centum offers engineering research and development, manufacturing services, and build-to-specification solutions for mission-critical applications across a variety of end industries, including defense, aerospace, industrial, automotive, and health care. With over three decades of industry expertise and a core emphasis on quality control, the company has established strong relationships with marquee global clients, such as Thales, as well as key Indian government entities, including the Defense Research and Development Organization and the Indian Space Research Organization. In our view, Centum is well positioned to benefit from the government's "Make in India" initiative, which encourages import substitution of electronic products and components by providing attractive tax subsidies and manufacturing infrastructure. In addition, amid escalating geopolitical tensions, we see further upside from India's accelerated efforts to indigenize the design, development, and manufacturing of defense equipment, such as surveillance satellites, an area where electronic system providers like Centum stand to benefit. We are also encouraged by the company's commitment to restructure its loss-making Canadian subsidiary and enhance operational efficiency at its French division. We expect Centum to deliver 18% to 20% compounded revenue growth and 25% to 30% compounded EBITDA growth over the next three to five years.

Finally, we added to several of our existing positions during the quarter, most notably **Max Healthcare Institute Limited**, **ICICI Bank Limited**, **Bharti Airtel Limited**, **Reliance Industries Limited**, **HDFC Bank Limited**, **Trent Limited**, and **InterGlobe Aviation Limited**. During the quarter, we did not exit any of our positions.

Outlook

While we expected increased market volatility entering 2025, owing to proposed global tariffs and a dynamic geopolitical environment, we are encouraged by the resilience of Indian equities and broader emerging (EM)/international markets year-to-date. As the Trump Administration continues to negotiate trade deals with several countries and while ongoing tensions in the Middle East and near-term spikes in oil prices make newsworthy (and rather scary) headlines, we are focused on doubling our due diligence/research efforts to opportunistically increase exposure to our highest conviction ideas during periods of market uncertainty. While we cannot predict policy outcomes or geopolitical events, we can control our time spent interacting with company management and engaging with industry experts to better position us to "buy the dip."

We believe India is entering an earnings upgrade cycle that bodes well for relative outperformance over the foreseeable future. Green shoot signs of an economic recovery, driven by a rebound in government infrastructure spend and recent tax cuts are beginning to get discounted by investors, in our view. Under the new leadership of Governor Sanjay Malhotra, the RBI has renewed its focus on economic growth by kickstarting a monetary easing cycle and reducing regulatory complexity. In our opinion, such policy measures should support higher credit growth and have a multiplier effect on the broader economy. In addition, an expected normal monsoon season will likely boost farmer incomes and stimulate rural consumption. The ongoing correction in the U.S. dollar, attributable to declining interest rate differentials between U.S. and international bond yields and concerns over tariff related inflationary pressures amid a slowing U.S. economy, should be another tailwind for the Rupee, India's currency, and broadly for Indian equities. Lastly, from a trade perspective, we believe the U.S. and India are making good progress toward signing a bilateral trade agreement that should serve as another potential upside catalyst for Indian markets. We continue to view India as the big "relative winner" in the aftermath of "Liberation Day" as the country is one of the least impacted from a trade war and a likely global slowdown, given it is primarily a domestic consumer driven economy with a low share of world exports.

We remain excited and optimistic about the multi-decadal growth opportunity that lies ahead for India and truly believe the country has become a "breakout" investment destination within the EM/international landscape. Productivity-enhancing economic reforms are kickstarting a virtuous investment cycle and positioning India as the fastest growing large economy in the world this decade. In our view, India's roughly $4 trillion economy, growing 6% to 8% in real terms and 10% to 12% in nominal terms, will leap ahead of Germany in the next two to three years to become the third largest economy, only trailing the U.S. and China. India is also a key beneficiary of the tectonic shifts in the geopolitical environment, amid rising tensions between the U.S and China, with a critical mass of global corporates favorably viewing the country as an attractive destination to diversify manufacturing and supply chains ex-China.

Over time, we have little doubt 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. The MSCI India Index has generated 9.88% annualized returns (in U.S. dollars) over the past 20 years compared to 6.45% for the MSCI Emerging Markets Index and 5.83% for the MSCI ACWI ex USA Index. Put another way, $10,000 invested in India two decades ago is now worth approximately $66,000, compared to around $35,000 and $31,000 for EM and international equities, respectively.

Thank you for investing in the Baron India Fund.

Sincerely,

Anuj Aggarwal
Portfolio Manager

Michael Kass
Portfolio Manager Adviser

[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.

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

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

Risks: Non-U.S. investments may involve additional risks to those inherent in U.S. investments, including exchange-rate fluctuations, political or economic instability, the imposition of exchange controls, expropriation, limited disclosure and illiquid markets. In addition, investments in developing countries may have increased risks due to a greater possibility of settlement delays; currency and capital controls; interest rate sensitivity; corruption and crime; exchange rate volatility; and inflation or deflation. Government actions, bureaucratic obstacles and inconsistent economic reform within the Indian government have had a significant effect on the Indian economy and could adversely affect market conditions, economic growth and the profitability of private enterprises in India.

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

The discussions of the companies herein are not intended as advice to any person regarding the advisability of investing in any particular security. The views expressed in this report reflect those of the respective portfolio manager only through the end of the period stated in this report. The portfolio manager's views are not intended as recommendations or investment advice to any person reading this report and are subject to change at any time based on market and other conditions and Baron has no obligation to update them.

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

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QUARTERLY LETTER | JUNE 30, 2025

Baron International Growth Fund®

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

Michael Kass
Portfolio Manager

Dear Baron International Growth Fund Shareholder,

Performance

Baron International Growth Fund® (the Fund) gained 16.91% (Institutional Shares) during the second quarter of 2025, while its primary benchmark, the MSCI ACWI ex USA Index (the Benchmark), appreciated 12.03%. The MSCI ACWI ex USA IMI Growth Index (the Proxy Benchmark) gained 14.41% for the quarter. The Fund solidly outperformed both the Benchmark and the Proxy Benchmark during a strong quarter for global equities marked by a tempering of the Trump Administration's tariff aggression. We were pleased with our quarterly results and have now notably exceeded both the Benchmark and Proxy Benchmark on a one-year trailing basis.

Annualized performance (%) for period ended June 30, 2025

	Fund Retail Shares[1,2]	Fund Institutional Shares[1,2,3]	MSCI ACWI ex USA Index[1]	MSCI ACWI ex USA IMI Growth Index[1]
3 Months[4]	16.82	16.91	12.03	14.41
6 Months[4]	17.57	17.73	17.90	16.08
1 Year	19.45	19.72	17.72	14.67
3 Years	10.08	10.34	13.99	12.42
5 Years	6.26	6.52	10.13	7.27
10 Years	6.54	6.80	6.12	6.35
15 Years	7.85	8.12	6.66	7.12
Since Inception (12/31/2008)	9.18	9.45	7.53	8.06

In our view, the principal catalyst driving global capital markets during the past quarter was the deferral and perceived pivot the U.S. trade/tariff policy, combined with strong momentum towards Congressional passage of a comprehensive and pro-growth tax reduction and fiscal spending bill. This, in effect, reversed the pattern established in the first quarter where isolationist foreign policy and global trade protectionism appeared to be prioritized over domestic spending and tax reform. From our perspective, while the near-term transactional pivot is a relief, we believe the U.S. remains committed not only to a withdrawal from the decades-long and multilateral security and trade equilibrium, but also to a meaningful reduction in the U.S. current account deficit. Thus, we remain of the view that regardless of final tariff rates, there is ongoing risk of retaliation and/or compromised demand for U.S. goods and services, as well as a meaningfully weaker U.S. dollar and an associated paradigm shift in capital flows in the direction of non-dollar assets. We are encouraged that notwithstanding the tariff deferral, passage of key pro-growth U.S. legislation, and a global equity recovery, the U.S. dollar made fresh lows and international and emerging market equities outperformed during the quarter, supporting in our view the likelihood that non-U.S. equities have entered a sustainable outperformance cycle. Of course, we are even more encouraged by the strong absolute and relative performance of the Fund over the recent quarter and past year, and remain optimistic that our fundamental, theme-driven and bottom-up approach is well-suited to the foreseeable environment of significant technological and geopolitical change.

In the second quarter of 2025, we comfortably outperformed the Benchmark, as well as our all-cap international growth Proxy Benchmark. From a sector or theme perspective, favorable allocation effect together with solid stock selection in the Energy sector, primarily attributable to our investment in **Waga Energy SA**, which received

NON-U.S./GLOBAL

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 30, 2025 was 1.31% and 1.04%, but the net annual expense ratio was 1.21% and 0.96% (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.

a buyout offer from private equity firm EQT AB, was the largest contributor to relative performance during the quarter. In addition, strong stock selection in the Consumer Staples sector, owing to select holdings in our digitization (**ODDITY Tech Ltd.** and **Ajinomoto Co., Inc.**) theme, was also a notable contributor to relative results. Lastly, our overweight positioning combined with favorable stock selection effect in the Industrials sector, driven by our Korea shipbuilding positions (**HD Korea Shipbuilding & Offshore Engineering Co., Ltd.** and **HD Hyundai Heavy Industries Co., Ltd.** (HHI)), which forms part of our sustainability/ESG theme, also bolstered relative performance during the period. Partially offsetting the above, adverse allocation effect in the Health Care sector and our modest cash position in a rising market environment were detractors to relative performance during the quarter.

From a country perspective, our overweight positioning together with solid stock selection in Korea, driven by the above-mentioned holdings, contributed the most to relative performance this quarter. We remain optimistic about our investments in Korea shipbuilders that are entering a multi-year growth cycle with attractive profitability metrics, while also benefiting from geopolitical tailwinds leading to increased collaboration with the U.S. Navy, among other global defense related opportunities. In addition, favorable stock selection effect in France (Waga Energy and **Eurofins Scientific SE**), India (**JM Financial Limited**, **Nippon Life India Asset Management Limited**, **Kaynes Technology India Limited**, and **Jio Financial Services Limited**), and Israel (ODDITY and **CyberArk Software Ltd.**) also bolstered relative results. We are encouraged with the continued recovery of Indian equities from the lows of February and have growing conviction that many of our holdings are entering an earnings upgrade cycle, owing to an economic recovery that is being driven by a rebound in government infrastructure spend, recent tax cuts, and favorable monetary policy enacted by the Reserve Bank of India. Partially offsetting the above was modest adverse stock selection effect in China, though the country remains a positive contributor year-to-date, and our active exposure to the U.S., via our holdings in **Arch Capital Group Ltd.** and **Agilent Technologies, Inc.**

NON-U.S./GLOBAL

Top contributors to performance for the quarter

	Contribution to Return (%)
HD Korea Shipbuilding & Offshore Engineering Co., Ltd.	1.66
Waga Energy SA	1.48
ODDITY Tech Ltd.	1.01
Taiwan Semiconductor Manufacturing Company Limited	0.97
HD Hyundai Heavy Industries Co., Ltd.	0.85

HD Korea Shipbuilding & Offshore Engineering Co., Ltd. is the shipbuilding and offshore engineering sub-holding company of HD Hyundai, overseeing key affiliates including HHI, a leading global shipbuilder and engine manufacturer. Shares rose during the quarter on improving profit margin visibility, backlog growth, and increasing evidence of a sizable long-term opportunity in the naval and defense business. The stock also benefited from broader strength in Korean equities—particularly among chaebol-affiliated companies (large family-controlled conglomerates)—following the Korean presidential election outcome, which is expected to lead to shareholder-friendly corporate governance reforms. We continue to hold shares and remain confident in the company's long-term outlook.

Waga Energy SA is a technology-based clean energy company that has developed and commercialized its proprietary "WAGABOX" system, which captures landfill methane and converts it into renewable natural gas. Shares appreciated sharply during the quarter, fully recovering losses from the prior quarter, supported by strong project execution and a series of positive pipeline announcements. Late in the quarter, Waga received a takeover offer at a sizable premium from EQT AB, a leading private equity firm based in Sweden. While we are disappointed that the company will be taken private—given its strong positioning for long-term, sustainable, and profitable growth—we are maintaining our position as the transaction develops.

ODDITY Tech Ltd. intends to transform the beauty and wellness market by using proprietary technologies to sell exclusively online and launch innovative new products. ODDITY is uniquely positioned at the intersection of the beauty and wellness, technology, and health care technology spaces, and is poised to capitalize on the consumer shift toward e-commerce in categories that have historically relied on the wholesale model and high-touch retail environments. Shares of ODDITY increased following better-than-anticipated quarterly results, with double-digit revenue growth from both IL MAKIAGE (its prestige cosmetics brand) and SpoiledChild (its wellness brand offering skincare, haircare, and supplements). ODDITY also remains on track to launch its third brand in the second half of the year. Building on this momentum, management raised full-year guidance for 2025. We like ODDITY's unique molecular discovery platform and think the company is well positioned to deliver strong, profitable growth through its use of AI and machine learning to drive customer conversion and repeat purchase behavior.

Top detractors from performance for the quarter

	Contribution to Return (%)
Alibaba Group Holding Limited	(0.26)
Full Truck Alliance Co. Ltd.	(0.21)
argenx SE	(0.17)
Arch Capital Group Ltd.	(0.15)
AstraZeneca PLC	(0.14)

Alibaba Group Holding Limited is the largest retailer and e-commerce company in China. Alibaba operates shopping platforms Taobao and Tmall, and has businesses spanning logistics, local services, digital media, and cloud computing. Shares of Alibaba were pressured by quarterly results that were solid but fell short of elevated investor expectations, as well as heightened macroeconomic and geopolitical uncertainty impacting international stocks following Liberation Day. Alibaba is actively pursuing Artificial General Intelligence, 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 continued 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.

Full Truck Alliance Co. Ltd. (FTA), China's leading digital freight platform, detracted from performance during the quarter. While FTA delivered strong quarterly results, with solid revenue growth and margin improvement, the company reported muted earnings guidance and revised its full-year profit forecast lower to reflect increased AI investment and anticipated losses from planned acquisitions, which disappointed the market. Shares were also pressured by growing concerns over the potential delisting of FTA's American Depositary Receipts from U.S. exchanges, fueled in part by fears that the Trump administration could take a harder stance on Chinese listings. This is particularly concerning for FTA, which does not yet have a Hong Kong listing, though the company is actively preparing for one. We retain conviction in FTA's growth outlook, supported by expanding market share, higher take rate potential, and long-term benefits from its strategic investments in AI and logistics technology.

Argenx SE is a biotechnology company best known for developing Vyvgart, the leading FcRn inhibitor for the treatment of autoimmune conditions. Shares declined after Vyvgart sales came in below elevated investor expectations due to a combination of seasonal factors (such as insurance reverification) and higher Medicare Part D utilization and associated discounts. Our conversations with management and neurologists continue to reinforce Vyvgart's value as an important treatment option with strong long-term growth potential. The drug continues to launch well in both generalized myasthenia gravis and chronic inflammatory demyelinating polyneuropathy. Over time, we expect Vyvgart to demonstrate efficacy across an expanding range of autoantibody-driven autoimmune conditions, supported by encouraging Phase 2 myositis data recently presented by argenx at a major medical conference.

Portfolio Structure

Top 10 holdings in developed countries

	Percent of Net Assets (%)
Constellation Software Inc.	2.7
eDreams ODIGEO SA	2.6
BNP Paribas S.A.	2.6
Linde plc	2.5
Ajinomoto Co., Inc.	2.3
argenx SE	2.2
Waga Energy SA	2.1
ODDITY Tech Ltd.	2.1
Experian plc	2.0
Arch Capital Group Ltd.	2.0

Top five holdings in emerging countries

	Percent of Net Assets (%)
Taiwan Semiconductor Manufacturing Company Limited	3.4
HD Korea Shipbuilding & Offshore Engineering Co., Ltd.	2.6
InPost S.A.	1.5
Credicorp Ltd.	1.5
Bharti Airtel Limited	1.5

Percentage of securities in developed markets

	Percent of Net Assets (%)
Japan	9.8
France	8.9
United Kingdom	7.3
Netherlands	7.1
Israel	4.7
Canada	4.5
Spain	3.6
United States	3.4
Germany	3.2
Australia	2.2
Switzerland	1.9
Ireland	1.8
Sweden	1.7
Italy	0.9
Denmark	0.4

Percentage of securities in emerging markets

	Percent of Net Assets (%)
India	9.8
China	8.3
Korea	7.1
Taiwan	3.8
Poland	2.2
Peru	1.5
Brazil	1.5
Greece	0.8

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.

Recent Activity

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

We increased exposure to our global security theme by initiating a position in **Centum Electronics Limited**, a leading electronics manufacturing services provider in India. Centum offers engineering research and development, manufacturing services, and build-to-specification solutions for mission-critical applications across a variety of industries, including defense, aerospace, industrial, automotive, and health care. With over three decades of expertise and a core emphasis on quality control, the company has established strong relationships with marquee global clients, such as Thales, as well as key Indian government entities, including the Defense Research and Development Organization and the Indian Space Research Organization. In our view, Centum is well positioned to benefit from the government's "Make in India" initiative, which encourages import substitution of electronic products and components by providing attractive tax subsidies and manufacturing infrastructure. In addition, amid escalating geopolitical tensions, we see further upside from India's accelerated efforts to indigenize the design, development, and manufacturing of defense equipment and surveillance satellites, an area where electronic system providers such as Centum stand to benefit. We are also encouraged by the company's commitment to restructure its loss-making Canadian subsidiary and enhance operational efficiency at its French division. We expect Centum to deliver 18% to 20% compound revenue growth and 25% to 30% compound EBITDA growth over the next three to five years.

As part of our fintech disruption theme, we established a position in **XP Inc.**, a technology-driven financial services platform in Brazil offering retail brokerage, asset management, fund distribution, institutional trading, investment banking, and financial education. The company is disrupting a highly concentrated industry where the incumbent oligopoly has historically charged high fees, provided limited product access, and delivered poor customer service. We see a long-term growth opportunity as Brazilian household assets remain heavily allocated to traditional products such as savings accounts. As financial literacy improves and access to a broader range of investments expands, we expect a gradual shift toward equities, mutual funds, and other higher-yielding instruments. XP is well positioned to capture this structural shift through a user-friendly, multi-product platform that serves investors across income levels. In the near term, we see earnings momentum recovering, supported by a more stable macro environment, lower interest rate expectations, and a potential inflection in capital markets activity.

During the quarter, we also added to our digitization theme by initiating an investment in **Eternal Limited**, India's largest food delivery and quick commerce platform. In our view, Eternal, with a dominant 55% market share, is well positioned to capitalize on the structural growth of online food delivery, a duopoly market in India that remains significantly underpenetrated relative to global peers. This industry structure supports a rational pricing environment with increasing visibility into long-term profitability. We are also excited about Eternal's fast-growing quick commerce segment, which is disrupting India's offline retail and e-commerce industries by offering delivery of groceries, apparel, packaged food, and electronic goods within 15 minutes of ordering. Consumers can now get an iPhone or Samsung smartphone delivered in under 15 minutes versus more than a day if purchasing from other e-commerce platforms. India's total addressable retail market for quick commerce players is expected to exceed $400 billion, with current penetration less than $10 billion, providing a significant multi-year growth opportunity. Eternal has emerged as the market leader in quick commerce, with approximately 40% market share, driven by its superior logistics infrastructure, focus on customer experience, and visionary management team. We believe the company will continue to benefit from structural growth opportunities in online food delivery and quick commerce, with the potential to triple revenue while improving profitability over the next five years.

Lastly, we increased our exposure to several existing positions during the quarter, including **AMG Critical Materials N.V.**, **SK hynix Inc.**, **Credicorp Ltd.**, **Mitsubishi UFJ Financial Group, Inc.**, **Airbus SE**, and **Piraeus Financial Holdings S.A.** We exited several positions during the quarter consistent with our efforts to seek greater concentration in our higher conviction investments. The Fund sold **Meituan**, **Samsung Electronics Co., Ltd.**, **Techtronic Industries Co. Ltd.**, **Japan Airport Terminal Co., Ltd.**, **EQT AB**, **B&M European Value Retail S.A.**, **Li Auto Inc.**, and **BE Semiconductor Industries N.V.**

Outlook

Early in the second quarter, President Trump surprised markets with a more extreme proposed tariff regime than expected, which combined with the previous foreign policy shock centered on the withdrawal of support for Ukraine, triggered an abrupt and sharp sell-off in global equities and the U.S. dollar, as well as a rise in long-term U.S. bond yields. This unexpected market reaction presaged that financial, economic, and political constraints would more likely than not lead to some tempering of the Trump Administration's protectionist terms, and on evidence of such, markets bottomed and began to recover. By the end of the quarter, enthusiasm over the deferral of tariffs and the expected passage of the "Big Beautiful Bill," the Administration's comprehensive tax reduction and fiscal spending bill, drove global equities to a new all-time high, more than recovering a near 17% year-to-date decline from peak to trough. While the recovery in equities was impressive, non-U.S. equities (MSCI ACWI ex USA Index) again outperformed U.S. equities, extending year-to-date outperformance to nearly 1,200 basis points.

Notwithstanding the market's complacency as sentiment shifted from the negative shock to earnings, inflation and earnings multiples implied by aggressive tariffs to the pro-growth Big Beautiful Bill, we stick to our initial conclusion articulated last quarter that U.S. economic nationalism, foreign policy isolationism, and a willingness to declare economic war on allies and adversaries, whether for real or just as negotiating leverage, is a unifying event for such counterparties as well of rest of world consumers and corporates, and in our view, represents a wake-up call for global investors currently underweight non-U.S. equities. Do we remain mired in trade policy uncertainty, or is this simply a negotiating tactic? U.S. trade policy goals remain unclear: does the U.S. wish to maximize tariff revenue or incentivize on shoring of manufacturing? To us, much of this may be noise while the signal is the U.S. withdrawal from decades long and multilateral security and trade pacts, supplanted by a new unilateral approach, which regardless of the tariff rate, still suggests a high risk of retaliation and/or compromised demand for U.S. goods and services. Further, while protectionism appears tempered in the near term, even the low-case tariff regime represents a quadrupling of effective rates entering the year, and uncertainty will remain. Perhaps more important, we believe markets are largely ignoring the longer-term implications of what appears the early innings of a U.S. tilt towards patronage and national service, which we characterized last quarter as potentially usurping the private sector's freedom to allocate capital to its most efficient use, while also capping corporate profitability and/or investor confidence in longer-term earnings growth. This scenario would ultimately require higher risk premium and lower equity multiples on U.S. equities. We maintain conviction that U.S. priorities have shifted abruptly from economic and corporate profit optimization to geopolitics, national security, and domestic manufacturing and labor. The trade deficit will narrow either through higher effective tariffs or a considerably weaker dollar; while tariffs do not lift U.S. competitiveness, a weaker U.S. dollar does, and, as addressed in our previous letter, both suggest a paradigm shift in relative capital flows in favor of foreign assets.

While still early, in our view, in the international equity relative outperformance cycle, we see much to be excited about regarding themes, fundamentals, and stocks. Our EU mutualization theme (**BNP Paribas S.A.**, **Bank of Ireland Group plc**, **Deutsche Bank AG**, and **Piraeus Financial Holdings S.A.**) has driven the largest percentage gain for the year-to-date period. We remain optimistic that this theme can continue to deliver returns, and we are likely to increase exposure. Catalyzed by changing U.S. priorities, the landmark shift in EU appetite for fiscal expansion, and in particular willingness to fund defense and infrastructure spending, enhances the growth opportunity for companies in this theme, and will also create myriad opportunities for European and other holdings across our portfolio. In our view, additional beneficiaries include **eDreams ODIGEO SA**, **Epiroc AB**, **Airbus SE**, and **BAE Systems plc.** Our concentration in Korean shipbuilding/defense (**HD Korea Shipbuilding and Offshore Engineering Co., Ltd.** and **HD Hyundai Heavy Industries Co., Ltd.**), related to both our ESG/sustainability and global security themes, has also delivered quite strong returns year- to-date, building on last year's gains. These companies are leveraging proprietary technology and enhanced pricing power and are well positioned to benefit from shifting geopolitical priorities.

While China equities cooled in the recent quarter, they have performed in line with solid international equity returns year-to-date. As we have remarked previously, while we approach this market with caution, we see attractive bottom-up opportunities, and are attracted particularly to companies where Chinese technology and engineering appear at or near world-leading on price/performance basis in key verticals including AI, electric vehicle/automated driving, battery/storage technology, humanoid robotics, and advanced logistics platforms (**Alibaba Group Holding Limited**, **Tencent Holdings Limited**, **Kingdee International Software Group Company Limited**, **BYD Company Limited**, **Contemporary Amperex Technology Co., Limited** (CATL), **Zhejiang Shuanghuan Driveline Co., Ltd.**, and **Full Truck Alliance Co. Ltd.**). We believe the Spring of 2025 marks the moment when global investors began re-evaluating China's technology advances and capability on the back of impressive developments by DeepSeek, Huawei, CATL, BYD, Xiaomi and others.

Finally, India, a high conviction and large country weighting both absolute and relative, is nearing the highs of last September, after a protracted five month correction. We took advantage of the correction in adding to both existing positions and establishing new investments, and maintain enthusiasm given the attractive secular growth, economic reforms, and productivity, digitization, and geopolitical catalysts we have enumerated on at length in our prior communications and letters (top/key holdings here include **Bharti Airtel Limited**, **InterGlobe Aviation Limited**, **Kaynes Technology India Limited**, **Max Healthcare Institute Limited**, and **Reliance Industries Limited**).

While encouraged by year to date absolute and relative performance, we remain optimistic that we are early in a mean reverting performance cycle for the asset class where fundamental, bottom-up investors can prosper. We look forward to our next update and *thank you for investing in Baron International Growth Fund*.

Sincerely,

Michael Kass
Portfolio Manager

NON-U.S./GLOBAL

[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 5/29/2009 is based on the performance of the Retail Shares, which have a distribution fee. The Institutional Shares do not have a distribution fee. If the annual returns for the Institutional Shares prior to 5/29/2009 did not reflect this fee, the returns would be higher.

[4] Not annualized.

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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QUARTERLY LETTER | JUNE 30, 2025

Baron FinTech Fund®

Retail Shares: BFINX | Institutional Shares: BFIIX | R6 Shares: BFIUX

Josh Saltman
Portfolio Manager

Dear Baron FinTech Fund Shareholder,

Performance

In the quarter ended June 30, 2025, Baron FinTech Fund® (the Fund) rose 9.26% (Institutional Shares) compared with a 13.82% gain for the FactSet Global FinTech Index (the Benchmark). Since inception, the Fund has risen at a 12.53% annualized rate compared with 4.55% for the Benchmark.

U.S. equity markets managed gains in a period of heightened volatility. Risk-off sentiment early in the quarter centered around President Trump's "Liberation Day" tariff announcement on April 2, which market observers viewed as more severe than expected and likely to slow economic growth and boost inflation. Equity indices quickly fell by double-digit rates before bottoming on April 8. Markets subsequently rebounded after Trump paused most tariffs to allow for negotiations and China and U.S. officials agreed to a de-escalation of tariffs. Other market catalysts were resilient corporate earnings, dovish Federal Reserve commentary following muted inflation readings, positive AI news, improving consumer sentiment, and a rebound in M&A and IPO activity. The sudden Israel-Iran war threatened to upend market momentum, but a ceasefire was quickly brokered and the market resumed its advance to close the quarter at a record high.

Large-cap stocks outperformed mid- and small-caps during the quarter and are ahead for the year as well. The Magnificent Seven complex resumed its leadership role during the quarter, accounting for most of the S&P 500 Index's gains. The group appreciated more than 20% in the period, outpacing the 10.9% gain for the Index and the 6.9% gain for all stocks in the Index outside of the Magnificent Seven. Small caps remain in negative territory this year, down 2%, while larger-cap stocks are up about 6%, having recovered all losses from early in the year. Growth outperformed value across all market caps during the quarter. Growth is now outperforming this year, representing a meaningful turnaround from the end of March when value was ahead by a wide margin. Beyond the U.S., both developed and emerging market equities were up double digits for the quarter.

Annualized performance (%) for period ended June 30, 2025†

	Fund Retail Shares[1,2]	Fund Institutional Shares[1,2]	FactSet Global FinTech Index[1]	S&P 500 Index[1]	MSCI ACWI Index[1]
3 Months[3]	9.20	9.26	13.82	10.94	11.53
6 Months[3]	7.69	7.82	5.26	6.20	10.05
1 Year	27.43	27.74	23.24	15.16	16.17
3 Years	20.08	20.36	13.49	19.71	17.35
5 Years	10.36	10.63	4.98	16.64	13.65
Since Inception (12/31/2019)	12.26	12.53	4.55	14.37	11.02

During the second quarter, the Fund rose more than 9% but trailed the Benchmark and the S&P 500 Index. Underperformance versus the Benchmark was driven by stock selection in Information Services, Payments, and Tech-Enabled Financials. Challengers outperformed Leaders by a wide margin (up 24% versus up 5%, respectively), which weighed on relative performance given the Fund's lower exposure to Challengers. The Fund's lack of exposure to the Magnificent Seven was a headwind to performance against the broader market as was the Fund's high exposure to Financials given the sector trailed the broader Index by more than 5% in the period.

Weakness in Information Services was widespread, led by poor performance from data and analytics companies **Fair Isaac Corporation** (FICO) and **Verisk Analytics, Inc.** FICO's shares

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 30, 2025 was 1.56% and 1.13%, 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.

underperformed due to regulatory pressure from the Federal Housing Finance Agency, with new director Bill Pulte criticizing the price of FICO scores in the conforming mortgage market. Rising interest rates and the potential ramifications for lending activity also pressured the stock. Verisk's shares lagged alongside other defensive stocks during the quarter despite solid quarterly earnings and upbeat management commentary. Financial exchanges and data providers **S&P Global Inc.**, **MSCI Inc.**, **Moody's Corporation**, and **Morningstar, Inc.** were other detractors in the category, likely reflecting a market rotation into more speculative stocks.

The principal detractor in Payments was **Fiserv, Inc.**, a global payments and bank technology provider. Fiserv's shares fell after reporting weaker-than-expected earnings results and slowing payment volumes for Clover, its small business payments platform. Global payment networks **Visa Inc.** and **Mastercard Incorporated** were up slightly but underperformed on a relative basis after performing well earlier in the year. Underperformance reflected concerns about the competitive threat from stablecoins given the blowout returns of stablecoin issuer Circle Internet Group following its IPO in June. We believe such concerns are overdone and remain confident in the networks' growth prospects and competitive advantages.

Performance in Tech-Enabled Financials was hindered by declines from our insurance holdings, including **The Progressive Corporation** and **Arch Capital Group Ltd.** Insurance stocks gave back some of their gains from earlier in the year, partially reflecting a market rotation into more speculative stocks and away from defensive sectors like insurance. In addition, insurance pricing trends are softening after a nearly five-year "hard market" period with rising prices and expanding margins. While remaining focused on the long-term growth prospects and competitive advantages of our insurance holdings, we are also mindful of the cyclicality of the insurance sector and have trimmed our exposure following an extended period of outperformance.

Somewhat offsetting the above was higher exposure to Capital Markets, where financial services platform **Robinhood Markets, Inc.** and online brokerage firm **Interactive Brokers Group, Inc.** performed well. Robinhood was the largest overall contributor due to heightened market volatility and strong underlying performance of equities and cryptocurrencies. The company also announced new products in the crypto space, including tokenized trading of U.S. stocks and private assets, expanding its total addressable market. Interactive Brokers' performance was driven by strong quarterly results and a rebound in equity markets.

Solid stock selection in E-Commerce coupled with higher exposure to this better performing theme also added to performance. Strength in E-Commerce came from Latin American e-commerce platform **MercadoLibre, Inc.**, whose share price was lifted by better-than-expected results across gross merchandise volume, total payment volume, revenue, and operating margins.

Top contributors to performance for the quarter

	Contribution to Return (%)
Robinhood Markets, Inc.	1.59
MercadoLibre, Inc.	1.42
Intuit Inc.	1.03
Guidewire Software, Inc.	0.99
Interactive Brokers Group, Inc.	0.95

Robinhood Markets, Inc., a provider of commission-free trading and investing tools, contributed to performance. The stock benefited from higher trading activity amid elevated market volatility and strong performance across both equity and cryptocurrency markets. The company continues to gain share in a large and growing market, with customer assets of $255 billion up 89% from a year ago. In addition, Robinhood announced new crypto-related products—including tokenized trading of U.S. stocks and private assets—broadening its addressable market and further boosting investor sentiment. We continue to own the stock due to its long-term earnings potential, driven by strong account growth, rising client assets, and rapid pace of product innovation.

MercadoLibre, Inc., the leading e-commerce marketplace and fintech provider in Latin America, contributed to performance during the quarter. The company reported strong quarterly results with revenue up 37% and EPS up 44%. Margin outperformance was driven by faster revenue growth in Argentina, where the company earns its highest margins. Management cited a more favorable macroeconomic backdrop in Argentina as lower interest rates boost credit demand, reduce funding costs, and promote higher consumption. These gains offset higher spending on new distribution centers and growth in the company's credit card portfolio. Across its Latin American markets, MercadoLibre continues to gain share with gross merchandise volume up 40% and total payment volume up 72% on a constant currency basis. We continue to view MercadoLibre as a leading beneficiary of the secular growth of e-commerce and digital banking in Latin America.

Intuit Inc. is the leading provider of accounting software for small businesses and tax preparation software for individuals and tax professionals. Shares rose after the company reported better-than-expected quarterly results and raised its annual guidance. In the most recent quarter, revenue grew 15% and earnings per share grew 18%, with TurboTax revenue exceeding Street expectations due to greater adoption of higher-priced Live assisted services. Revenue growth remained strong in the small business segment despite macroeconomic concerns, and the Credit Karma segment also delivered rapid growth. We continue to own the stock due to Intuit's strong competitive position and numerous growth opportunities.

Top detractors from performance for the quarter

	Contribution to Return (%)
Fiserv, Inc.	(0.82)
The Progressive Corporation	(0.26)
Clearwater Analytics Holdings, Inc.	(0.18)
Tradeweb Markets Inc.	(0.17)
Intapp, Inc.	(0.17)

Global payments company **Fiserv, Inc.** detracted from performance after reporting weaker-than-expected earnings results and slower payment volume growth from its important Clover product. Clover enables small businesses to accept payments and manage operations through integrated software, hardware, and capital offerings, making it more comprehensive than a standard payment acceptance service. While Clover's revenue grew at a healthy 20% rate, investors were concerned that the deceleration in payment volume signaled rising competitive pressures. Challenging year-over-year comparisons and the timing of Easter played a role, but management did not clearly address these dynamics, which added to investor unease. Despite softer volumes, we believe Clover remains well positioned, supported by channel checks that indicate strong customer satisfaction and appropriate pricing. We expect Clover to continue gaining market share and Fiserv to compound EPS at a double-digit rate over many years.

Shares of leading auto insurance company **The Progressive Corporation** fell during the quarter. Progressive is experiencing a "Goldilocks" moment, with strong performance across key metrics. In the June quarter, policies in force grew 15%, earned premiums grew 18%, and the underwriting margin of 14% far exceeded the company's 4% long-term target. However, competition is heating up as peers achieve rate adequacy and advertise more aggressively. Investors have become increasingly concerned that Progressive's premium growth and margins will moderate, weighing on sentiment and contributing to the stock's underperformance. While the backdrop for earnings growth may become more challenging, we remain shareholders given Progressive's strong fundamentals and best-in-class execution. We continue to view Progressive as a superior operator that's well positioned to gain market share while maintaining a disciplined underwriting approach.

Clearwater Analytics Holdings, Inc. provides portfolio accounting and reporting software. While the company reported strong quarterly earnings and its business fundamentals remain solid, shares fell as investors sought evidence that management can successfully integrate its three recent acquisitions without disrupting the core business. Insider selling also weighed on sentiment, but that overhang now appears largely resolved. We believe Clearwater has meaningful competitive advantages and the potential to grow revenue at a high teens to 20% rate for several years. The company has an efficient business model that should drive 40%-plus adjusted EBITDA margins over time.

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 June 30, 2025, the Fund held 46 positions (37 excluding those smaller than 1%). The Fund's 10 largest holdings represented 40.9% of net assets, and the 20 largest holdings represented 67.8% of net assets. International stocks represented 11.5% 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 $124 billion. The Fund's active share versus the Benchmark was 88.0%.

We segment the Fund's holdings into seven investment themes. As of June 30, 2025, Tech-Enabled Financials represented 28.0% of net assets, Information Services represented 20.9%, Enterprise Software represented 15.8%, Capital Markets represented 14.7%, Payments represented 11.4%, E-Commerce represented 6.5%, and Digital IT Services represented 0.5%. Relative to the Benchmark, the Fund remains underweight in Enterprise Software, Payments, and Hardware, and has overweight positions in Tech-Enabled Financials, Capital Markets, E-Commerce, Information Services, 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 June 30, 2025, Leaders represented 70.8% of net assets and Challengers represented 26.9%, with the remainder in cash.

Top 10 holdings

	Year Acquired	Market Cap When Acquired ($B)	Quarter End Market Cap ($B)	Quarter End Investment Value ($M)	Percent of Net Assets (%)
MercadoLibre, Inc.	2020	53.7	132.5	3.5	4.6
Visa Inc.	2020	376.2	703.8	3.4	4.5
S&P Global Inc.	2020	67.9	165.5	3.3	4.4
Mastercard Incorporated	2020	306.1	510.3	3.2	4.3
LPL Financial Holdings Inc.	2021	12.9	30.0	3.2	4.3
Intuit Inc.	2020	69.3	219.7	3.2	4.2
Guidewire Software, Inc.	2020	9.1	19.8	3.1	4.2
Tradeweb Markets Inc.	2020	11.1	32.0	2.8	3.7
Interactive Brokers Group, Inc.	2023	33.8	94.3	2.5	3.3
KKR & Co. Inc.	2024	88.9	118.5	2.4	3.2

Fund investments in GICS sub-industries

	Percent of Net Assets (%)
Financial Exchanges & Data	19.9
Application Software	15.9
Investment Banking & Brokerage	15.0
Transaction & Payment Processing Services	15.0
Property & Casualty Insurance	6.5
Research & Consulting Services	4.9
Asset Management & Custody Banks	4.8
Broadline Retail	4.6
Diversified Financial Services	3.0
Diversified Banks	2.4
Internet Services & Infrastructure	1.9
Insurance Brokers	1.3
Life & Health Insurance	1.0
Real Estate Services	1.0
IT Consulting & Other Services	0.5
Cash and Cash Equivalents	2.3
Total	**100.0***

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

Recent Activity

We added one new position during the quarter and made minor changes elsewhere. Below we discuss some of our top purchases and sales.

Top net purchases for the quarter

	Quarter End Market Cap ($B)	Net Amount Purchased ($K)
The Charles Schwab Corporation	170.4	662.7
CME Group, Inc.	99.3	535.3
Alkami Technology Inc.	3.1	474.6
Ategrity Specialty Holdings LLC	1.0	391.3
Clearwater Analytics Holdings, Inc.	6.2	115.2

During the quarter, we invested in the IPO of **Ategrity Specialty Insurance Company Holdings,** a provider of property & casualty insurance to small businesses in the excess and surplus lines (E&S) market. In contrast to the heavily regulated admitted market, the E&S market gives insurers more flexibility on policy terms and pricing, enabling more profitable underwriting of non-standard risks. Ategrity solely operates in the E&S market, similar to existing Fund holding **Kinsale Capital Group, Inc.** The market for small business insurance tends to be less competitive than the large business segment since most insurers can't serve small businesses in a cost-efficient manner. By contrast, Ategrity profitably serves this segment by using data and automation to more efficiently ingest new policy submissions, segment risks, and quote prices. This enables Ategrity to underwrite small business policies in a high-speed, low-touch manner, which also makes the company an attractive partner to insurance brokers who value timely quotes.

With less than 1% share of the E&S market, Ategrity has a long runway for growth. Ategrity has been growing written premiums at over 20% per year while ceding over 30% of its business to outside reinsurers. Post-IPO the company will be over-capitalized and will retain more of the business that it generates, resulting in faster growth in earned premiums and higher margins from a lower expense ratio. We purchased the stock at 1.5 times book value and less than 10 times our EPS estimate for next year, a discount to peers and providing significant upside from earnings growth and multiple expansion.

We added to our position in discount broker **The Charles Schwab Corporation** as the company continues to rebound from challenges related to higher interest rates and regional banking failures two years ago. The balance sheet is improving as client inflows and cash generation enable the repayment of short-term funding, resulting in lower funding costs and a higher net interest margin. In the recent quarter, revenue grew 25% and EPS grew 56% with 14% growth in client assets. We expect earnings growth to remain elevated over the next several years.

We also added to financial exchange operator **CME Group, Inc.** during the quarter. The company benefits from higher trading volumes during periods of market volatility, making the stock a unique portfolio diversifier. Over the long term, the company benefits from global capital markets expansion, increasing demand for risk management tools, and bank capital requirements that favor CME's centrally cleared securities over non-cleared OTC products. CME has significant competitive advantages due to its proprietary products, deep liquidity pools, and capital efficiencies for its customers. These advantages lead to high margins, low capital intensity, and strong capital returns to shareholders. Given the uncertain path of inflation and interest rates, we believe demand for CME's financial derivatives should remain firm. The company's average daily trading volume increased 15% year-to-date as of June 30. While easing market volatility may cause trading activity to slow from record high levels, we believe CME provides an attractive hedge against tariff- and macro-related uncertainty. We also believe concerns about competition from an upstart derivatives exchange are overblown and created an attractive entry point to increase our position.

Top net sales for the quarter

	Quarter End Market Cap ($B)	Net Amount Sold ($M)
Fiserv, Inc.	95.6	1.5
The Progressive Corporation	156.4	0.5
Accenture plc	187.3	0.2
Arch Capital Group Ltd.	34.1	0.2
Globant S.A.	4.0	0.1

We reduced our position in **Fiserv, Inc.** due to a slowdown in Clover payment volumes and higher execution risk from the recent CEO transition. We trimmed **The Progressive Corporation** as the company laps a cyclical peak in growth and margins. We also trimmed

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Accenture plc due to slow growth and longer-term concerns about the impact of generative AI on the business model.

Outlook

The economic outlook is rosier today than it was three months ago when financial markets were awash in fear, uncertainty, and doubt. As trade deals begin to take shape, companies can incorporate tariffs into their plans and investors can adjust their expectations accordingly. Alongside positive trade developments, equity markets have rebounded and volatility has cooled. Unemployment remains low and card payment volume trends are stable, which bode well for our consumer finance and payment companies. Rising asset prices and steady interest rates support our retail broker and asset manager holdings, while easing inflation and improving corporate confidence should support our capital markets businesses.

Throughout the volatility of the first six months of the year, we made limited changes to the portfolio and remained fully invested. As discussed in last quarter's letter, we construct the portfolio with an expectation of economic fluctuations and invest in companies that will thrive over a full economic cycle. In financial markets, we know that the only certainty is uncertainty, which is why we can confidently hold our positions during inevitable market pullbacks. We believe the Fund is more diversified with less correlation across our holdings than most other sector funds. This means that some positions will do well in risk-on markets like what we saw in the second quarter, while others will thrive in risk-off markets like what we saw in the first quarter. We don't try to predict the future but rather focus our efforts on investing in competitively advantaged growth companies in the attractive fintech sector that we expect will outperform over time.

IPOs have returned after a multi-year dry spell, including several in the financial services and fintech space. Stablecoin issuer Circle Internet Group was by far the standout, with shares rising well above its offering price due to excitement over the growth potential of stablecoins and greater regulatory clarity for cryptocurrencies. Other notable financial and fintech IPOs this quarter included Chime (a digital banking and payments company), eToro (a European online broker), Aspen Insurance (a property and casualty insurer), Slide Insurance (a Florida homeowners' insurer), and **Ategrity Specialty Insurance Company Holdings** (a specialty property and casualty insurer). We evaluated all of these opportunities and remain highly selective. The pipeline of private companies looking to go public is full, and we expect additional IPOs in the months ahead.

Thank you for investing in the Fund. We remain significant shareholders alongside you.

Sincerely,

Josh Saltman
Portfolio Manager

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

[1] The **FactSet Global Fintech Index™** is an unmanaged and equal-weighted index that measures the equity market performance of companies engaged in Financial Technologies, primarily in the areas of software and consulting, data and analytics, digital payment processing, money transfer, and payment transaction-related hardware, across 30 developed and emerging markets. The **S&P 500 Index** measures the performance of 500 widely held large-cap U.S. companies. The **MSCI ACWI Index Net (USD)** is designed to measure the equity market performance of large and midcap securities across 23 Developed Markets and 24 Emerging Markets 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.

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

Risks: In addition to general market conditions, FinTech Companies may be adversely impacted by government regulations, economic conditions and deterioration in credit markets. Companies in the information technology sector are subject to rapid changes in technology product cycles; rapid product obsolescence; government regulation; and increased competition, both domestically and internationally, including competition from foreign competitors with lower production costs. The IT services industry can be significantly affected by competitive pressures, such as technological developments, fixed-rate pricing, and the ability to attract and retain skilled employees, and the success of companies in the industry is subject to continued demand for IT services. The Fund invests in companies of all sizes, including small and medium sized companies whose securities may be thinly traded and more difficult to sell during market downturns.

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

The discussions of the companies herein are not intended as advice to any person regarding the advisability of investing in any particular security. The views expressed in this report reflect those of the respective portfolio manager only through the end of the period stated in this report. The portfolio manager's views are not intended as recommendations or investment advice to any person reading this report and are subject to change at any time based on market and other conditions and Baron has no obligation to update them.

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

Active Share a term used to describe the share of a portfolio's holdings that differ from that portfolio's benchmark index. It is calculated by comparing the weight of each holding in the Fund to that holding's weight in the benchmark. Positions with either a positive or negative weighting versus the benchmark have Active Share. An Active Share of 100% implies zero overlap with the benchmark.

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).

QUARTERLY LETTER | JUNE 30, 2025

Baron Health Care Fund®

Retail Shares: BHCFX | Institutional Shares: BHCHX | R6 Shares: BHCUX

Neal Kaufman
Portfolio Manager

Dear Baron Health Care Fund Shareholder,

Performance

In the quarter ended June 30, 2025, Baron Health Care Fund® (the Fund) declined 5.06% (Institutional Shares), compared with the 6.19% decline for the Russell 3000 Health Care Index (the Benchmark) and the 10.99% gain for the Russell 3000 Index (the Index). Since inception (April 30, 2018), the Fund increased 8.84% on an annualized basis compared with the 8.25% gain for the Benchmark and the 13.76% gain for the Index.

Against a challenging backdrop for the broader Health Care sector, the Fund declined 5.06%, outperforming the Benchmark by 113 basis points. The Fund managed to beat the Benchmark due to a combination of cash exposure in a down market and differences in sub-industry weights. Style-related tailwinds also factored into outperformance for the period, as the Fund benefited from its overexposure to Beta given the factor had its second-best three-month performance in the last 25 years.

Aside from cash exposure, which accounted for over half of the outperformance in the period, higher exposure to better performing health care distributors and equipment stocks and lower exposure to Benchmark heavyweight **UnitedHealth Group Incorporated** in managed health care accounted for most of the remaining relative gains. UnitedHealth's shares fell sharply during the quarter after the company missed earnings estimates and cut its 2025 EPS guidance, citing higher-than-expected medical costs in its Medicare Advantage business. Investor confidence was further shaken in early May by the abrupt departure of CEO Andrew Witty and the suspension of 2025 guidance. UnitedHealth has historically commanded a premium valuation, reflecting its scale advantages, integrated care model, industry-leading innovation, and consistent execution.

Annualized performance (%) for period ended June 30, 2025†

	Fund Retail Shares[1,2]	Fund Institutional Shares[1,2]	Russell 3000 Health Care Index[1]	Russell 3000 Index[1]
3 Months[3]	(5.09)	(5.06)	(6.19)	10.99
6 Months[3]	(7.64)	(7.48)	(2.56)	5.75
1 Year	(11.74)	(11.48)	(6.13)	15.30
3 Years	0.56	0.83	3.30	19.08
5 Years	4.42	4.68	6.25	15.96
Since Inception (4/30/2018)	8.57	8.84	8.25	13.76

Solid stock selection in biotechnology and pharmaceuticals also added value, but these impacts were negated by disappointing stock selection elsewhere. Strength in biotechnology came from **Insmed Incorporated**, which has three leading pulmonology drugs that could collectively generate over $8 billion in peak sales. We are especially excited about treprostinil palmitil inhalation powder (TPIP), which is being developed for both pulmonary arterial hypertension (PAH) and pulmonary hypertension (PH) associated with interstitial lung disease. The company was the top contributor after Phase 2 data for TPIP in PAH exceeded investor expectations. We offer additional thoughts on Insmed below.

Within pharmaceuticals, the Fund's sizeable position in **Eli Lilly and Company** was responsible for a portion of the relative surplus after the company's shares held up better than the broader sub-industry. Lilly is currently best known for developing GLP-1 medications to treat

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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 30, 2025 was 1.18% and 0.87%, 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.

diabetes and obesity, including blockbuster drugs Mounjaro and Zepbound. Despite concerns about a potential price war following competitor Novo Nordisk's formulary deal with CVS and ongoing regulatory uncertainty, Lilly's shares outperformed as Zepbound continues to launch well for the treatment of obesity. We believe Mounjaro and Zepbound are important treatments and expect Lilly to remain a leader in next-generation therapies that are more effective and convenient, including oral GLP-1, orforglipron, which recently demonstrated strong Phase 3 results in diabetes. Additional obesity-related data is expected later this year. In our view, GLP-1 adoption is still in its early innings, and we believe continued uptake will drive a doubling of Lilly's revenues by 2030.

Solid stock selection in pharmaceuticals was enhanced by lack of exposure to certain larger-cap companies that were down sharply in the Benchmark, namely Bristol-Myers Squibb Company and Merck & Co., Inc. Not owning these names contributed the vast majority of relative gains in the sub-industry.

Offsetting the above was adverse stock selection in life sciences tools & services and health care supplies, where **Exact Sciences Corporation** and **The Cooper Companies, Inc.** (CooperCompanies) were the top detractors. We acquired shares of cancer diagnostics company Exact Sciences during the quarter and the company was a modest detractor due to short-term fluctuations in the stock. We detail reasons for our purchase of Exact Sciences below. CooperCompanies is a global medical device company with two business units: CooperVision, a leading manufacturer of soft contact lenses; and CooperSurgical, which focuses on women's health care and fertility. CooperCompanies' shares detracted from performance following mixed fiscal Q2 results. While CooperCompanies reported an EPS beat—supported by 7% organic growth at CooperVision versus the Street's 5.5% estimate—the results were overshadowed by management's acknowledgment of softening contact lens end markets due to macroeconomic headwinds and tighter channel inventories across the industry. Still, CooperCompanies maintained that it is positioned to outpace the market by approximately 150 basis points in fiscal 2025, driven by robust contact lens demand and stable pricing. Management cited ongoing margin expansion as another bright spot and projected continued strength throughout the year due to efficiency gains and favorable product mix. The global contact lens market benefits from long-term secular trends, including sustained demand for premium lenses, and CooperCompanies, which offers the industry's broadest portfolio of specialty lenses, continues to gain share. We remain shareholders.

Our strategy is to identify competitively advantaged growth companies that we can own for years. Similar to the other Baron Funds, we remain focused on finding businesses that we believe have secular growth opportunities, durable competitive advantages, and strong management teams. We conduct independent research and take a long-term perspective. We are particularly focused on businesses that solve problems in health care, whether by reducing costs, enhancing efficiency, and/or improving patient outcomes.

We continue to think the Health Care sector will offer attractive investment opportunities over the next decade and beyond. Health Care is one of the largest and most complex sectors in the U.S. economy, accounting for an estimated 17.6% of GDP in 2023 and encompassing a diverse array of sub-industries. Health Care is also a dynamic sector undergoing changes driven by legislation, regulation, and advances in science and technology. We think navigating these changes requires investment experience and sector expertise, which makes the Health Care sector particularly well suited for active management.

Top contributors to performance for the quarter

	Contribution to Return (%)
Insmed Incorporated	0.55
Intuitive Surgical, Inc.	0.42
IDEXX Laboratories, Inc.	0.33
HealthEquity, Inc.	0.30
RadNet, Inc.	0.27

Insmed Incorporated is a biotechnology company with three lead pulmonology drugs that collectively have the potential to generate more than $8 billion in peak sales. We are particularly excited about TPIP, a once-daily prostanoid in development for PAH and PH associated with interstitial lung disease. Prostacyclin therapies are a mainstay for these conditions and currently generate about $4.5 billion in global sales. We believe TPIP could become the most effective option in the class, with significantly more convenient dosing. Shares rose after Phase 2 data for TPIP in PAH exceeded investor expectations. We are also positive on brensocatib for non-cystic fibrosis bronchiectasis, which is a $5 billion-plus opportunity. Physician feedback and survey data suggests the drug could be transformative, showing a 20% reduction in pulmonary exacerbations and improved lung function. We believe the disease is widely underdiagnosed (often misdiagnosed as asthma or chronic obstructive pulmonary disease) and could affect up to 500,000 patients in the U.S.

Intuitive Surgical, Inc. manufactures the da Vinci Surgical System, a robotic surgical system used for minimally invasive surgical procedures. The stock contributed to performance on solid financial results. Intuitive continues to generate strong procedure growth and is in the early stages of a new product cycle with its da Vinci 5 system. We continue to view Intuitive as a competitively advantaged business with durable moats, including proprietary technology, a strong portfolio of patents, regulatory approvals, a large installed base of robotic systems, a growing base of customers trained on its platform, and a robust balance sheet. We believe the company has a long runway for growth driven by the continued adoption and expansion of robotic surgery.

Shares of veterinary diagnostics leader **IDEXX Laboratories, Inc.** contributed to performance for the quarter after reporting better-than-expected financial results. Foot traffic to veterinary clinics in the U.S. remains under pressure, which has continued to hamper aggregate revenue growth. Despite macroeconomic challenges, IDEXX's excellent execution has enabled the company to maintain strong performance. We believe competitive trends are outstanding, and we expect new proprietary innovations and field sales force expansion to be meaningful contributors to growth in 2025. We see increasing evidence that long-term secular trends around pet ownership and pet care spending have structurally accelerated, which should help support IDEXX's long-term growth rate.

Top detractors from performance for the quarter

	Contribution to Return (%)
UnitedHealth Group Incorporated	(3.72)
Thermo Fisher Scientific Inc.	(0.69)
argenx SE	(0.67)
The Cooper Companies, Inc.	(0.45)
Elevance Health, Inc.	(0.41)

UnitedHealth Group Incorporated is a diversified health and well-being company with $450 billion in annual revenue, operating across four segments: UnitedHealthcare, Optum Health, Optum Insight, and Optum Rx. Shares fell sharply during the quarter after the company missed earnings estimates and cut its 2025 earnings per share guidance, citing higher-than-expected medical costs in its Medicare Advantage business. Investor confidence was further shaken in early May by the abrupt departure of CEO Andrew Witty and the suspension of 2025 guidance. The company also mispriced its Medicare Advantage business for 2025—a challenge compounded by reimbursement changes and an influx of newly acquired members who had not been properly risk coded. While we acknowledge UnitedHealth's potential to restore profitability in this segment over time through disciplined pricing and benefit adjustments, we chose to exit our position during the quarter in favor of other opportunities.

Thermo Fisher Scientific Inc. is a life sciences company that offers instruments and consumables for research, tools for bioproduction, specialty diagnostics, and contract research and manufacturing services. Shares detracted from performance during the quarter. The life sciences segment remains under pressure due to continued grant cancellations by the National Institutes of Health (NIH) and persistent funding constraints at universities. We retain conviction as Thermo Fisher is dominant across multiple end markets and its scale gives it resilience. Once the macroeconomic environment stabilizes, we expect the company to resume organic growth in the high single-digit range and deliver double-digit earnings-per-share growth.

Argenx SE is a biotechnology company best known for developing Vyvgart, the leading FcRn inhibitor for the treatment of autoimmune conditions. Shares declined after Q1 Vyvgart sales came in below elevated investor expectations due to a combination of seasonal factors (such as insurance reverification) and higher Medicare Part D utilization and associated discounts. Our conversations with management and neurologists continue to reinforce Vyvgart's value as an important treatment option with strong long-term growth potential. The drug continues to launch well in both generalized myasthenia gravis and chronic inflammatory demyelinating polyneuropathy. Over time, we expect Vyvgart to demonstrate efficacy across an expanding range of autoantibody-driven autoimmune conditions, supported by encouraging Phase 2 myositis data recently presented by argenx at a major medical conference.

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 June 30, 2025, we held 35 stocks. This compares with 502 stocks in the Benchmark. International stocks represented 12.6% of the Fund's net assets. The Fund's 10 largest holdings represented 54.5% of net assets. Compared with the Benchmark, the Fund was overweight in health care equipment, life sciences tools & services, health care distributors, and health care supplies, roughly equal weight in biotechnology and health care technology, and underweight in pharmaceuticals, managed health care, health care services, and health care facilities. The market cap range of the investments in the Fund was $1.7 billion to $739 billion with a weighted average market cap of $165 billion. This compared with the Benchmark's weighted average market cap of $212 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, beneficiaries of AI, 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.

Top 10 holdings

	Year Acquired	Market Cap When Acquired ($B)	Quarter End Market Cap ($B)	Quarter End Investment Value ($M)	Percent of Net Assets (%)
Eli Lilly and Company	2021	187.4	738.8	18.6	13.1
argenx SE	2018	2.8	33.7	12.1	8.6
Boston Scientific Corporation	2023	73.4	158.9	8.6	6.1
Stryker Corporation	2023	98.8	151.2	7.1	5.0
Intuitive Surgical, Inc.	2018	49.9	194.8	6.5	4.6
Masimo Corporation	2025	10.3	9.1	5.0	3.6
Danaher Corporation	2022	202.9	141.4	4.9	3.5
Waters Corporation	2025	24.1	20.8	4.9	3.5
McKesson Corporation	2025	75.5	91.7	4.8	3.4
Penumbra, Inc.	2025	11.7	9.9	4.5	3.2

Fund investments in GICS sub-industries

	Percent of Net Assets (%)
Health Care Equipment	28.6
Biotechnology	20.3
Pharmaceuticals	17.3
Life Sciences Tools & Services	14.6
Health Care Distributors	3.4
Health Care Supplies	2.7
Health Care Services	2.4
Managed Health Care	2.2
Health Care Facilities	1.5
Health Care Technology	0.7
Cash and Cash Equivalents	6.2
Total	**100.0***

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

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Recent Activity

During the quarter, we added seven new positions and exited seven positions. Below we discuss some of our top net purchases and sales.

Top net purchases for the quarter

	Quarter End Market Cap ($B)	Net Amount Purchased ($M)
Masimo Corporation	9.1	3.0
Exact Sciences Corporation	10.0	2.5
Eli Lilly and Company	738.8	2.1
Penumbra, Inc.	9.9	2.1
Edwards Lifesciences Corporation	45.9	1.9

We added to our position in **Masimo Corporation**, a medical device company that manufactures non-invasive patient monitoring technologies, such as pulse oximetry for measuring blood oxygen levels of patients in the hospital. The company finalized the divestiture of its consumer audio business, which had been a distraction from their core health care business. The company plans to prioritize share repurchases with the proceeds from the sale. The trade war and tariff uncertainty has been an overhang, given Masimo manufactures products in Mexico, Malaysia, and China, but there is reason to be optimistic about de-escalation and trade deals. After meeting with new CEO Katie Szyman, we feel confident in her vision which is focused on achieving commercial excellence, bringing Masimo's AI technology to the hospital, and expanding the company's overall patient monitoring footprint within the hospital. We think the core health care business can continue to grow in the high single digits on the top line, and cost rationalization and disciplined spending should enable the company to more than double EPS within five years.

We initiated a position in **Exact Sciences Corporation**, a molecular diagnostics company focused on the early detection of colorectal cancer. The company is best known for its non-invasive colorectal cancer stool tests, Cologuard and Cologuard Plus. 106 million adults in the U.S. are eligible for colorectal cancer screening, of which half are not up to date. Colonoscopies are the gold standard for colorectal cancer screening, but they are invasive and require significant preparation. In contrast, Cologuard is non-invasive and requires significantly less time commitment. Cologuard adoption is growing and the test now accounts for around 13% of colorectal cancer screening. We are increasingly hearing from doctors and patients that they are considering Cologuard ahead of colonoscopies. Shares underperformed in 2024 as adoption of Cologuard slowed, as investors anticipate competition from Guardant Health which launched a colorectal cancer blood test, and as investors feared a worst-case outcome from a Supreme Court case that potentially has implications for insurance coverage mandates for Cologuard. We think shares are well positioned to re-rate as each fear is dispelled: (1) we expect Exact Science's commercial restructuring to continue to drive volume growth reacceleration; (2) Guardant's blood test is less sensitive than Cologuard and we think blood tests will be relegated to patients who refuse more sensitive screening options; and (3) at the end of June, the Supreme Court issued its decision in the Braidwood case which preserved the insurance coverage mandate. We think Cologuard is a compelling option for colorectal cancer screening and Exact Sciences will continue to penetrate this market.

We added to our position in **Eli Lilly and Company**, a global pharmaceutical company best known for developing and selling GLP-1 medications for diabetes and obesity. The most recent generation of GLP-1 drugs (brand names Mounjaro and Zepbound) not only offer superb blood sugar control for diabetics, but also can drive 20% or greater weight loss and likely improve cardiovascular outcomes in both diabetic and non-diabetic obese patients. We think these drugs will become the standard of care for both diabetes and obesity, and will become a $150 billion category. We see Lilly as the leader in the space, setting a high efficacy bar with their GLP-1s on the market and continuing to innovate and develop next-generation medications that are more effective and more convenient. We are excited about once-daily oral orforglipron, which recently showed Phase 3 data in type 2 diabetes that rivaled Novo Nordisk's injectable Ozempic. We expect Phase 3 orforglipron in obesity this summer to also be competitive with Novo Nordisk's injectable Wegovy. Beyond orforglipron, Lilly is also studying a high efficacy injectable (retatrutide) in Phase 3, an amylin hormone analogue (eloralintide) that can be combined with Zepbound in Phase 2, and a muscle-preserving drug bimagrumab (which can also be combined with Zepbound) in Phase 2. We continue to think this market is in the early innings of uptake, we think the adoption of GLP-1s will drive Lilly to triple its total revenues by 2030, and we think Lilly has the pipeline portfolio of drugs to sustain its leadership position.

We added to our position in **Penumbra, Inc.**, a medical device company that manufactures mechanical thrombectomy devices to remove clots. We think Penumbra's products are differentiated because of their computer assisted vacuum thrombectomy (CAVT) technology. CAVT utilizes 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 maximizes clot removal while decreasing risk of blood loss. For U.S. thrombectomy, we see a market opportunity for over 1 million procedures a year across stroke and peripheral vascular, with a total addressable market (TAM) north of $8 billion. Of this TAM, Penumbra is only high single digits percentage penetrated in 2024. We are looking forward to this mechanism rolling out in the stroke setting (the Thunderbolt product which is in development). In addition, the company is seeing strong momentum in the venous setting already with their Flash product. We think this momentum could accelerate if the Storm-PE trial, which completed enrollment during the quarter, demonstrates superiority of Penumbra's CAVT plus anticoagulation versus anticoagulation alone (the current standard of care) in intermediate-high risk pulmonary embolism patients. The trial could change the treatment paradigm for pulmonary embolism.

We reacquired shares of **Edwards Lifesciences Corporation**, a leading manufacturer of heart valve replacement and repair products. Transcatheter aortic valve replacement (TAVR) is a minimally invasive procedure to treat aortic stenosis, a disease that obstructs the flow of blood out of the aortic valve, which strains the heart. Edwards Lifesciences has a leading position in the TAVR market backed by a robust body of clinical evidence and physician familiarity with the product and workflow. TAVR is a $5 billion market that still continues to grow many years after Edwards Lifesciences first entered the market. We expect this growth to continue at a moderate pace as indications expand to cover a broader patient population. In addition, competitor **Boston Scientific Corporation** recently exited the TAVR market, which provides incremental market share opportunity for Edwards Lifesciences.

Besides Edwards Lifesciences' leading position in TAVR, the company also offers products for the mitral and tricuspid valves. These are other valves in the heart that, if dysfunctional, can also cause the heart to work harder and become strained. We believe that transcatheter tricuspid valve replacement represents the most exciting growth driver for Edwards Lifesciences because tricuspid regurgitation is an area with high unmet need and has the potential to be just as large as the TAVR TAM, if not larger. We believe Edwards Lifesciences is uniquely positioned here with their tricuspid valve replacement product Evoque, which is in the early stages of the commercial launch. We believe over the long term, Edwards Lifesciences can grow revenue in the high single digits to low double digits and EPS mid-teens.

Top net sales for the quarter

	Net Amount Sold ($M)
UnitedHealth Group Incorporated	12.5
Boston Scientific Corporation	6.0
Intuitive Surgical, Inc.	5.0
Thermo Fisher Scientific Inc.	4.2
Arcellx, Inc.	1.9

We sold **UnitedHealth Group Incorporated** because the company lowered guidance shortly after reporting earnings and then suspended guidance shortly after that. Management cited three issues: greater-than-expected impact from the health status of new members, higher-than-expected cost trends in the Medicare Advantage business, and a broadening of this higher trend to the Medicaid and commercial business. Some of these issues could potentially be fixed in the short term through repricing, but we felt management's lack of visibility raised too many questions about the long-term earnings potential of the business. We plan to revisit the investment thesis after new management conducts its comprehensive review and resets earnings guidance.

We reduced **Boston Scientific Corporation** and **Intuitive Surgical, Inc.** to manage risk after the position sizes increased from multi-year share appreciation. We maintain a positive view about the long-term outlook for both companies.

We reduced **Thermo Fisher Scientific Inc.** because several headwinds are impacting the business, including NIH funding cuts, potential tariffs on the company and its biopharmaceutical customers, a biotechnology funding slowdown, and slower growth in China.

We reduced **Arcellx, Inc.** to manage portfolio risk.

Outlook

Health Care's stretch of recent underperformance versus the broader equity markets reached unprecedented levels in the second quarter. The Benchmark underperformed the Index by over 17%! There are many reasons for the Health Care sector's dramatic underperformance. Big picture, Health Care is a highly regulated industry which depends in significant part on government reimbursement, and the current Administration has proposed spending cuts and major policy changes that cause uncertainty around profits for many different Health Care sub-industries.

For example, in February, new leadership at the NIH, the government agency with a $50 billion annual budget which provides research grants to universities, announced a change in policy regarding the funding of indirect costs of research projects. While currently the subject of litigation, if the policy is implemented, some of the nation's leading research universities each stand to lose hundreds of millions of dollars in research grants. In the meantime, the NIH has terminated or delayed research grants and the Trump Administration has proposed a 40% cut to the NIH budget for fiscal year 2026. Ultimately Congress will decide what next year's NIH budget will be, but all of this uncertainty and disruption is causing headwinds for life sciences tools companies that sell products and services to academic laboratories.

For pharmaceutical and biotechnology companies, we await details around the Trump Administration's plans for implementing a Most-Favored-Nation (MFN) drug pricing policy and for pharmaceutical sector tariffs. It's unclear whether these policy proposals would withstand legal challenges, but the threat of these potential policies has raised questions about the potential impact on future earnings and R&D budgets. There have also been personnel changes and headcount reductions at the Food and Drug Administration (FDA), which have caused investor concerns that new drug approvals will be delayed or that the agency will change its criteria for approving drugs. Beyond these policy issues, Chinese biotechnology companies have emerged as a competitive threat and large multinational pharmaceutical companies have been partnering with Chinese biotechnology companies (where prices for early-stage companies are lower) at the expense of early-stage U.S. biotechnology companies. As a result, investors have been reluctant to deploy capital in the biotechnology sector. Although biotechnology funding improved in the June quarter versus the March quarter, biotechnology funding is still down year-over-year due to a very weak start to the year.

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Outside of life sciences, managed care companies have suffered earnings shortfalls this year due to elevated medical cost trends in their Medicare and Medicaid books of business and the impact of changes to the risk adjustment rules for Medicare Advantage plans. Further, on July 4, President Trump signed the One Big Beautiful Bill Act (the OBBBA) into law. The OBBBA includes more than $1 trillion in health care spending cuts over 10 years, mostly from Medicaid. This represents the biggest cut to federal health care spending and to Medicaid in history. Medicaid work requirements are scheduled to begin on January 1, 2027, and would require individuals to spend at least 80 hours each month working, completing community service, participating in a work program, or enrolling in an educational program. The Congressional Budget Office (CBO) has estimated that the work requirements would increase the number of uninsured people by 4.8 million by 2034, while other Medicaid provisions (immigration rules, more frequent eligibility checks) would add another 3 million to the uninsured number. In addition, the OBBBA curtails well-established state Medicaid funding mechanisms, such as state provider taxes and directed payment programs. The Trump Administration has also been imposing stricter requirements for people to enroll and retain health insurance under the Affordable Care Act (ACA) exchanges. And at year end, the federal subsidies that help people pay for plans on the ACA exchanges are set to expire. If Congress doesn't extend these subsidies, another 5.1 million people could lose insurance coverage, according to the CBO. As a result of all these changes, hospitals could face reduced Medicaid payments and an increase in uncompensated care costs, and managed care companies could face fewer enrollees and adverse selection as healthier members drop coverage.

Given this backdrop, why are we optimistic about the long-term outlook for Health Care?

We think the long-term secular growth drivers for health care are intact. The U.S. population is aging, driven by the aging of the baby boomer population and increased longevity, fueled by new ways to diagnose, monitor, and treat diseases. In 2022, there were 57.8 million Americans aged 65 and older, representing 17.3% of the population. The Census Bureau estimates older Americans will represent over 20% of the population in 2030. Health care spending is expected to grow faster than GDP and reach 20.3% of GDP by 2033 (note: this projection occurred prior to passage of the OBBBA). Innovation in the sector is robust. Despite recent underperformance, we remain encouraged that Health Care often outperforms the broad market over the long term. As indicated in the chart below, the Russell 3000 Health Care Index outperformed the Russell 3000 Index 65% of the time on a rolling 5-year basis and 76% of the time over rolling 10-year periods, meaning the longer one invests in Health Care, the more likely the sector is to outperform the broad market.

Health Care Outperformance vs. Broader Market

Percentage of time Health Care sector outperformed Broad Based Benchmarks over different time periods from inception of Russell 3000 Health Care Index (7/1/1996) through 6/30/2025

Rolling Return Period	1 Year	3 Years	5 Years	10 Years
Russell 3000 Health Care Index vs. Russell 3000 Index	50%	54%	65%	76%
Russell 3000 Health Care Index vs. S&P 500 Index	52%	54%	65%	84%

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.

Once there is greater clarity around policy changes, investors can reassess the earnings impact and value companies under the new rules. With the OBBBA now signed into law and the Trump Administration's announcements about tariffs and MFN drug pricing likely to come in the near term, we think policy changes are largely priced in, and there is potential for some of the draconian changes to be modified in the future, given likely political pushback. Polls show that the OBBBA's health care cuts are unpopular with the public. With respect to the FDA personnel changes, so far the FDA appears to be functioning and drugs are getting approved. Leaders at the FDA have made encouraging public statements about streamlining the drug approval process. In fact, the OBBBA expands the number of orphan drugs that are exempted from Medicare price negotiations, which should promote more innovation in the biopharmaceutical industry, and by extension, bolster life science tools suppliers. As to academic research, Congress decides the NIH budget and Congress has been supportive of annual increases. A federal judge ordered the NIH to reinstate 800 research grants that have been canceled, and another judge issued an injunction blocking the NIH from implementing the cap on indirect costs. Regarding Medicaid cuts, there has been speculation that blue states will try to maintain enrollment with work requirement workarounds, and because most of the major changes do not come into effect until 2027 and 2028, hospitals have time to lobby lawmakers and build public support to prevent the cuts from ultimately going into effect.

We think the companies in which the Fund invests are unique, competitively advantaged growth companies with innovative products that can improve patient outcomes and/or lower health care costs. **Eli Lilly and Company**'s new GLP-1 medicines offer a broad range of health benefits, including blood sugar control and weight loss, reduced risk of heart attack, stroke and heart failure, improved kidney function, reduction in sleep apnea, and could potentially reduce substance abuse disorders and treat neurocognitive illnesses like Alzheimer's. **Argenx SE**'s Vyvgart is transforming the treatment of various rare autoimmune diseases like myasthenia gravis and chronic inflammatory demyelinating polyneuropathy. **Boston Scientific Corporation**'s Farapulse pulsed field ablation system is transforming the treatment of atrial fibrillation through the use of targeted electrical pulses that make procedures more precise, faster, and safer. **Intuitive Surgical, Inc.**'s robotic surgical systems are making surgical procedures less invasive, which reduces pain, results in less blood loss, and allows for faster recovery for the patient, while surgeons benefit from enhanced precision, dexterity, and visualization during the procedure. **Insmed Incorporated**'s innovative new medicines for respiratory diseases have the potential to be a game changer for patients. **RadNet, Inc.** is using AI algorithms to enhance the accuracy of breast cancer screening mammograms, leading to earlier cancer detection and reducing the number of unnecessary patient call backs.

These are just a few examples of why we are optimistic about the long-term outlook for Health Care and the Fund. We continue to follow our process for identifying investment opportunities and creating a portfolio of competitively advantaged growth companies with strong management teams. Thank you for investing in the Fund. I remain an investor in the Fund, alongside you.

Sincerely,

Neal Kaufman
Portfolio Manager

† 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® 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 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 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.

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.

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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.

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

QUARTERLY LETTER | JUNE 30, 2025

Baron Real Estate Fund®

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

Jeff Kolitch
Portfolio Manager

Dear Baron Real Estate Fund Shareholder,

Performance

Baron Real Estate Fund® (the Fund) increased 3.61% (Institutional Shares) in the second quarter of 2025. The Fund outperformed the MSCI US REIT Index (the REIT Index), which declined 1.46%, yet underperformed the MSCI USA IMI Extended Real Estate Index (the MSCI Real Estate Index), which rose 6.13%.

We are very pleased to report that as of June 30, 2025, according to Morningstar, the Fund's achievements are as follows:

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

Since inception on December 31, 2009 through June 30, 2025, the Fund's cumulative return of 561% was more than two and a half times that of the REIT Index, which increased 216%, and significantly higher than the MSCI Real Estate Index, which increased 404%.

Annualized performance (%) for period ended June 30, 2025

	Fund Retail Shares[1,2]	Fund Institutional Shares[1,2]	MSCI USA IMI Extended Real Estate Index[1]	MSCI US REIT Index[1]	S&P 500 Index[1]
3 Months[3]	3.56	3.61	6.13	(1.46)	10.94
6 Months[3]	(3.45)	(3.32)	2.83	(0.71)	6.20
1 Year	10.29	10.58	13.30	7.62	15.16
3 Years	10.87	11.15	13.79	4.09	19.71
5 Years	10.61	10.89	12.26	7.38	16.64
10 Years	8.90	9.19	9.00	5.03	13.65
15 Years	13.25	13.54	11.37	7.62	14.86
Since Inception (12/31/2009)	12.68	12.96	11.00	7.71	13.85
Since Inception (12/31/2009) (Cumulative)[3]	535.86	561.37	403.98	216.15	646.27

As of 6/30/2025, the Morningstar Real Estate Category consisted of 217, 210, 193, 149, 113, 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 23rd, 1st, 1st, 1st, 1st, and 1st percentiles, respectively. On an absolute basis, Morningstar ranked Baron Real Estate Fund Institutional Share Class as the 48th, 1st, 2nd, 1st, 1st, and 2nd best performing share class in its Category, for the 1-, 3-, 5-, 10-, 15-year, and since inception periods, respectively.

As of 6/30/2025, Morningstar ranked Baron Real Estate Fund R6 Share Class in the 23rd, 1st, 1st, 1st, 1st, and 1st percentiles, respectively. On an absolute basis, Morningstar ranked Baron Real Estate Fund R6 Share Class as the 49th, 2nd, 1st, 1st, and 1st best performing share class in its Category, for the 1-, 3-, 5, 10-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.

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 6/30/2025. There were 210 share classes, 193 share classes, and 149 share classes for the 3-, 5-, and 10-year periods. The Morningstar Ratings™ are for the Institutional share class only; other classes may have different performance characteristics. The Morningstar Ratings are based on the Morningstar Risk-Adjusted Return measures.

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 30, 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 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.

Recently, Baron Capital prepared a video explaining how our real estate team manages the Fund and commemorating the Fund's multi-year track record of outperformance. The title of the video is "Baron Real Estate Fund Celebrates 15 Years of Outperformance." We encourage you to review the video which can be found on the Baron website homepage at baroncapitalgroup.com.

We will address the following topics in this letter:

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

Our Current Top-of-Mind Thoughts

OUR BOTTOM-LINE VIEW:

We remain optimistic about the prospects for real estate and the Fund. Two key reasons for our enthusiasm are:

1. Real estate has been repriced for a higher cost of capital, and a large portion of public real estate is now attractively valued at significant discounts to replacement cost and other public valuation metrics.
2. We expect an improvement in real estate demand prospects against a backdrop of muted new construction activity which should bode well for real estate cash flow growth in the next few years.

More on the above and additional reasons that support our constructive outlook are as follows:

1. We believe real estate concerns are largely reflected in share prices

For some investors, ongoing real estate concerns – e.g., higher interest rates, credit impairment risks, housing affordability headwinds, consumer concerns, and depressed real estate transaction activity – have resulted in a wait-and-see mode before increasing allocations to real estate.

Our view is that a large portion of the real estate concerns are "old news," some of which are exaggerated and hyperbole, and have resulted in an unusually appealing opportunity to invest in public real estate at attractive valuations. If one waits for the all-clear signal, there is a reasonable chance one will miss a good portion of the return potential for real estate stocks.

In our opinion, investment prospects for real estate are compelling over the next one to three years with strong upside potential relative to a more modest downside likelihood.

2. The investment case for real estate is compelling

- Demand conditions are mostly favorable against a backdrop of muted new real estate supply.
  - Demand: Cyclical growth opportunities for well-located real estate and secular real estate tailwinds (e-commerce for industrial real estate, affordability advantages for residential-related rental companies, aging baby boomers for senior housing, increased spending on travel, rising data consumption and AI for data centers) are underappreciated in our opinion.
  - Supply: The competitive supply outlook is broadly benign due to modest new construction in the last three years and limited new supply forecasted for the next three years. The higher costs for land, labor, and construction materials combined with elevated borrowing costs for developers have served as constraints on new competitive construction. In many cases, it is more economical to buy assets today that often trade at discounts to replacement cost rather than to build at current cost levels.
- Balance sheets are generally in solid shape and use significantly less leverage than the private market.
- Debt capital is widely available, and credit spreads have compressed for high quality borrowers.
- Substantial capital (private equity, sovereign wealth funds, pension funds, 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 repriced for a higher cost of capital and many real estate valuations are compelling. See below.

3. Several real estate valuations are cheap relative to replacement costs, historical public valuations, and future growth prospects

Replacement cost refers to the price that it would cost to replace an existing asset with a similar asset at the current market price. Currently, there is an unusually favorable opportunity to acquire real estate shares at significant discounts to replacement cost in desirable geographic markets (strong demand prospects with limited new construction). Examples include hotel, office, multi-family, single-family rental, and mall companies.

Buying real estate below replacement cost offers several benefits:

- Constrained supply: If a real estate property or company is purchased below replacement cost in a geographic market with compelling long-term demand/supply prospects, it may become a strong investment because it will be more expensive for competitors to build similar properties because they will face higher construction costs.
- Flexibility in pricing: Lower rents can be charged versus newly built real estate which may make one's real estate property more competitive in the rental market. Even better, landlords may have room to increase rents to a higher level before the higher rents justify new construction.

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- Potential to increase the real estate value: With a lower cost basis, you have more flexibility to enhance the property through capital expenditure improvements and strong management, thus increasing its value.
- Downside protection: Buying below replacement cost provides financial flexibility against a market correction in property values.
- Higher return on investment: Buying below replacement cost can lead to a higher potential return on investment.

In addition to the opportunity to acquire several real estate shares below replacement cost, the valuations of several REIT and non-REIT real estate companies are cheap relative to other historical public market valuation metrics and future growth prospects. For examples of best-in-class real estate companies that are attractively valued, please see "Examples of best-in-class real estate companies that are attractively valued" in our March 31, 2025, shareholder letter.

4. We continue to identify compelling opportunities in each of the Fund's high-conviction investment themes

The Fund's key investment themes remain the following:

- *REITs*
  Demand>supply + solid balance sheets + growing dividends + inflation-protection characteristics + attractive valuations
- *Residential-related real estate (homebuilders, home centers, and building products/services companies)*
  Structural underinvestment in housing relative to demographic needs + cyclical tailwinds (pent-up demand) + secular tailwinds (flexible work and relocation to suburbs + aging existing home stock + lock-in effect = below market mortgage rates for most existing homes benefit new home sale prospects)
- *Travel-related real estate*
  Increasing wallet share for travel over durable goods + delays in marriage lead to more disposable income for travel + flexible work arrangements allow for more travel + cyclically depressed business activity + compelling valuations
- *Commercial real estate services companies*
  Oligopolistic industry + highly fragmented industry (customers prefer companies that can provide the full suite of services) + outsourcing of commercial real estate + institutionalization of real estate
- *Real asset-focused alternative asset managers*
  Secular growth opportunity + market share gain opportunity for global and multi-service asset managers
- *Property technology companies*
  Intersection of real estate and technology

Please see "Portfolio Composition and Key Investment Themes" later in this letter for additional thoughts on the Fund's investment themes.

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

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

Portfolio Composition and Key Investment Themes

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

Fund investments in real estate-related categories

		Percent of Net Assets (%)
REITs		29.7
Non-REITs		67.9
Building Products/Services	16.7	
Real Estate Service Companies	15.5	
Real Estate Operating Companies	11.2	
Homebuilders & Land Developers	9.0	
Hotels & Leisure	7.9	
Casinos & Gaming Operators	5.3	
Data Centers	2.3	
Cash and Cash Equivalents		2.4
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

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

As of June 30, 2025, we had investments in 10 REIT categories representing 29.7% of the Fund's net assets.

REITs

	Percent of Net Assets (%)
Data Center REITs	5.8
Health Care REITs	5.5
Wireless Tower REITs	4.3
Office REITs	4.0
Industrial REITs	3.1
Mall REITs	2.6
Multi-Family REITs	1.9
Single-Family Rental REITs	1.2
Mortgage REITs	1.1
Other REITs	0.2
Total	**29.7***

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

Residential-related real estate

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

Our near-term caution has been due to: (i) a slowdown in demand from elevated mortgage rates and elevated consumer uncertainty; (ii) the supply of new homes has crept up because the construction of some homes was started speculatively; (iii) homebuilder pricing and gross margins have been pressured because homebuilders have been using incentives to reduce mortgage rates that buyers must pay; and, (iv) repair and remodel activity has remained lackluster because people are delaying their moving decisions and have ongoing concerns about the economic outlook.

The shares of several homebuilders and residential-related building products/services companies foreshadowed some of these concerns late in 2024 and in the first six months of 2025. We continue to monitor developments closely as valuations become 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 June 30, 2025, residential-related real estate companies represented 25.7% of the Fund's net assets.

Residential-related real estate companies

	Percent of Net Assets (%)
Building Products/Services	15.3
Homebuilders	8.1
Home Centers	2.3
Total	**25.7***

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

Travel-related real estate

We continue to believe that 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 June 30, 2025, travel-related real estate companies represented 13.1% of the Fund's net assets.

Travel-related real estate companies

	Percent of Net Assets (%)
Hotels	7.9
Casinos & Gaming Operators	5.3
Total	**13.1***

** 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 continue to 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** remain attractively valued and offer compelling long-term growth prospects.

As of June 30, 2025, other real estate-related companies (which include the four investment themes mentioned directly above) represented 29.0% of the Fund's net assets.

Other real estate-related real estate companies

	Percent of Net Assets (%)
Commercial Real Estate Services Companies	11.6
Real Estate-Focused Alternative Asset Managers	11.2
Property Technology Companies	3.8
Data Center Operators	2.3
Total	**29.0***

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

Top Contributors and Detractors

Top contributors to performance for the quarter

	Quarter End Market Cap ($B)	Contribution to Return (%)
Brookfield Corporation	102.1	1.02
Wynn Resorts, Limited	9.8	0.51
Brookfield Asset Management Ltd.	90.7	0.45
Toll Brothers, Inc.	11.2	0.41
CBRE Group, Inc.	41.8	0.37

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, large scale capital, and the synergies among its businesses provide significant opportunities for growth. While shares performed well in the quarter, we continue to believe the company offers significant value at a recent share price of $62. Brookfield's management team, who in our opinion is credible and conservative, believes the company is worth $100 per share today and $176 in five years. Brookfield has investments in publicly traded and private real estate-related businesses. Brookfield's ownership interests in four publicly listed Brookfield companies (Brookfield Asset Management, Brookfield Infrastructure Partners, Brookfield Renewable, and Brookfield Business Partners) are currently valued in the public market at $52 per share or almost the same price as the share price for the entire company. The public market is currently ascribing little value to Brookfield's non-public investments, insurance business and carried interest, which we believe are also worth at least $25 per share (net of debt) today and offer significant further upside through growth.

Wynn Resorts, Limited is the pre-eminent 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.

We believe the valuation of Wynn remains compelling and reflects limited growth in Las Vegas, Macau, and Boston, and largely ignores the growth that we expect from its UAE development.

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.

Brookfield Asset Management Ltd. is the asset management arm that was spun out from Brookfield Corporation in December 2022. Brookfield was a contributor to performance due to continued strong fundraising in a volatile macro and geopolitical backdrop along with improving margins and fee-related earnings growth. Brookfield Asset Management is a leading global alternative asset manager with approximately $1 trillion of assets under management across renewable power & transition, infrastructure, private equity, real estate and credit. We had previously written about and had consistently believed that the captive asset manager was undervalued when it was housed within the broader Brookfield organization. The tax-free spin-out to existing holders simplified the organization and allowed shareholders to access a steady earnings stream underpinned by base management fees (versus highly variable performance fees) that have a high degree of growth visibility. The market has come to our view with the shares of Brookfield Asset Management trading in-line or a slight premium to other alternative asset managers. We had argued for a premium valuation given our view that Brookfield Asset Management would be able to grow its fee-related earnings per share in the upper teens for the foreseeable future. We continue to believe shares are attractively valued given the multi-year earnings outlook for the Company.

Top detractors from performance for the quarter

	Quarter End Market Cap or Market Cap When Sold ($B)	Contribution to Return (%)
Churchill Downs Incorporated	6.6	(0.27)
Prologis, Inc.	99.8	(0.22)
Independence Realty Trust, Inc.	4.1	(0.20)
Louisiana-Pacific Corporation	6.0	(0.16)
Equinix, Inc.	77.8	(0.15)

Churchill Downs Incorporated, which has acquired and developed various entertainment assets including the Churchill Downs racetrack which hosts the Kentucky Derby, was a detractor during the quarter following an earnings release that showed weakening trends in their Virginia market and lower-than-expected Kentucky Derby earnings. The company also indefinitely delayed a large project to expand the Kentucky Derby, but it was not clear about pivoting available capital to buying-back shares. We believe the Virginia market and their regional gaming portfolio may remain under pressure. The company has numerous growth projects with attractive prospects, but developments will take time to ramp to full profitability and in the meantime leverage remains high. Due to uncertain business trends and concerns around competitive pressures in their Virginia market, we decided to exit the position.

The shares of **Prologis, Inc.**, a best-in-class industrial REIT, underperformed in the second quarter due to a somewhat slower leasing environment (following a robust first quarter) as many companies paused lease decision making while awaiting more clarity on global tariffs and trade policies. Our sense is that leasing activity has still improved from the beginning of the year and that significant pent-up demand could be unleashed as business confidence improves.

We recently had the pleasure of hosting CEO Hamid Moghadam for a meeting in our office, and we were left with the following takeaways:

1. A reminder that Prologis benefits from a high-quality real estate portfolio, an unmatched global platform, strong competitive advantages (scale, data, and technology), and an exceptional management team.
2. Hamid remains optimistic about the multi-year prospects for Prologis, 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, nearshoring/onshoring).
3. Hamid expects that Prologis's recent foray into select data center development (that carry high risk-adjusted returns on already owned land) will likely become an increasingly accretive source of growth in the coming years.

We continue to believe the appreciation potential for Prologis' shares remains compelling given the strong runway for future cash flow and earnings growth in the next several years and a more favorable valuation multiple following a recent correct in share price.

Independence Realty Trust, Inc. (IRT) was a detractor during the quarter due to economic concerns of tariff policies impacting lower income consumers, softer-than-expected pricing power on new leases, and mixed investor reception of the company's select acquisitions. IRT owns 33,000 apartment units that cater to a more affordable income demographic. We believe the return prospects for the stock continue to be attractive given the company's discounted public market valuation relative to both recent private market transactions and publicly traded peers that have communities in overlapping markets, its "value-add" program that provides enhanced growth prospects versus peers, abating supply deliveries in its markets that should enhance pricing power and its superior management team.

Recent Activity

Top net purchases for the quarter

	Quarter End Market Cap ($B)	Net Amount Purchased ($M)
Airbnb, Inc.	83.1	40.6
BXP, Inc.	10.7	32.5
Equinix, Inc.	77.8	30.4
Toll Brothers, Inc.	11.2	28.9
Simon Property Group, Inc.	52.5	23.9

During the most recent quarter, we initiated a new position in **Airbnb, Inc.** We have been following and meeting with the company since its IPO in 2020 and took advantage of the indiscriminate sell-off in April to buy a high-quality company that was on sale with a favorable risk/reward setup under a wide range of economic scenarios. Airbnb is the largest technology-enabled hospitality platform in the world with 8 million listings and 5 million hosts across 220 countries and 100,000 cities. We are optimistic regarding the multi-year prospects for Airbnb due to: i) its leading share in alternative accommodations and scale driving strong brand awareness and repeat bookings; ii) 90% direct traffic allowing for lower customer acquisition costs; iii) its strong value proposition to both guests and hosts, leading to differentiated listings and exclusive inventory; iv) a unique two-sided marketplace of user reviews curating an ecosystem of trust between guests and hosts; and, v) imbedded free call options with the company's recently launched experiences, services, and other incremental products to be introduced in the coming years (e.g. longer-term stay apartments, host services, partnerships).

During the quarter we acquired shares of **BXP, Inc.** (formerly known as Boston Properties), a blue-chip office REIT that owns a portfolio of premier office properties concentrated in coastal U.S. markets including Boston, New York City, San Francisco, Washington, DC, Los Angeles, and Seattle. We are excited about BXP's prospects for several reasons:

1. Blue-chip company, with an irreplaceable portfolio in markets with high barriers to entry, a proven development track record, a strong balance sheet, and an excellent management team.
2. Strong fundamental backdrop for high-quality office properties in select markets. Generally, return-to-work and a pick-up in lease decision-making has led to improved leasing velocity across many office markets, particularly for high-quality properties that are benefitting from a "flight to quality." At the same time, the supply picture for many office markets is favorable over the next several years given a dearth of new construction deliveries. We believe this backdrop can support improved rent growth in many markets over the next several years.
3. BXP anticipates a growth inflection in 2026, driven by occupancy and rent gains across its East Coast markets that are expected to drive cash flow and earnings growth in 2026, with its West Coast markets expected to drive growth in 2027. West Coast markets have been slower to recover, but there are encouraging signs that fundamentals are bottoming.
4. Attractive growth prospects over the next several years, as management believes the company can potentially grow earnings (FFO) mid-single digits, driven by occupancy gains (87% current versus 92% target), rent growth, and development lease-up, offset in part by debt refinancing headwinds.

At its current share price of $68, BXP is being valued at a 7.6% implied cap rate and less than $700 per square foot, which is a steep discount to private market values (5% to 6% cap rates) and replacement cost (well over $1,000 per square foot).

In the most recent quarter, we purchased additional shares in **Equinix, Inc.**, the premier global operator of 270 network-dense, carrier-neutral colocation data centers with operations across 36 countries and 6 continents. We acquired shares at what we believed were compelling valuation levels. Shares retrenched, however, in the last few days of the quarter due to the company outlining incremental capital investments at its bi-annual Investor Day that will depress near-term growth but pay dividends longer term.

Though we are encouraged by the expanding growth drivers for Equinix, management's updated five-year earnings growth outlook was below investor expectations. While top-line growth is encouraging, the company is ramping up capital investments over the next several years, which will dampen per share cash flow growth over the next two years, in particular. This led to a material initial sell-off in the shares. While the near-term growth prospects are disappointing and below our expectations as well, we believe the company is taking the right steps to position the business for higher growth ahead. Given Equinix needs to bring on new data center facilities to fulfill the demand signals they are seeing from customers, there is an initial drag on earnings while the data center is built and then stabilized. We bucket our current view of Equinix in the Baron investment framework where the company is taking "short-term pain for long-term gain." Equinix has built a highly valuable inter-connected ecosystem and thus enjoys premium pricing and outsized returns on capital. Furthermore, the balance sheet remains well-positioned to fund this investment with ample debt capacity and no need for external equity.

Top net sales for the quarter

	Quarter End Market Cap or Market Cap When Sold ($B)	Net Amount Sold ($M)
American Tower Corporation	103.5	26.7
AvalonBay Communities, Inc.	29.1	25.1
Extra Space Storage Inc.	31.8	23.7
Equity Residential	25.6	23.6
American Homes 4 Rent	13.4	21.8

American Tower Corporation was one of the Fund's top purchases early in the first quarter. Shares performed well and in a more compressed timeline than we had anticipated. We modestly reduced our investment to manage overall position sizing while sourcing capital for other investment opportunities. American Tower is a global owner of 150,000 wireless tower communication sites with a heavy emphasis on developed markets. Our optimism regarding the long-term growth prospects for American Tower remain unchanged 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 Internet of Things devices (e.g. homes and cars), which will require more wireless bandwidth usage and continued increased spending by the mobile carriers.

We exited **AvalonBay Communities, Inc.** during the second quarter due to less favorable economics for development along with near-term dilutive portfolio reshaping and modest growth prospects. We reallocated capital to higher conviction investment ideas.

We also sold our position in **Extra Space Storage Inc.** during the quarter. While we are long-term bullish on the prospects for self-storage real estate (excellent real estate businesses with less cyclical demand, pricing power, low capital intensity, scale advantages), we are concerned that lackluster existing home sales caused by the well-known "lock in effect" may weigh on self-storage demand and market rents for longer than is widely believed. We view current share price valuations as fair, not overly cheap. As such, for now we opted to reallocate capital to other investments with superior return potential. We may revisit Extra Space Storage, a best-in-class company, in the future.

Concluding Thoughts on the Prospects for Real Estate and the Fund

We remain optimistic about the prospects for the equity market, real estate, and the Fund.

It appears that several tailwinds are emerging that could propel equities higher including: currently modest economic growth which we believe could accelerate in the next few years due to less regulation, lower taxes, less onerous tariffs than feared initially, a pro-growth reconsolidation bill, possible interest rate cuts, the AI super cycle which could lead to an acceleration in revenues, an improvement in margins via cost-cutting, and faster earnings growth for several companies, and the possibility of a pickup in mergers, acquisitions, and initial public offerings.

We also believe we have developed the right real estate product and investment process 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.

Our team’s investment process remains thorough. We employ an investment process checklist that we utilize for all investments that includes meeting with management, touring the real estate, crafting an investment memo, building financial models, speaking to competitors, speaking to tenants, and many other diligence items. We speak to a broad swath of real estate companies – both owned and not owned – in some cases a few times each quarter to make sure our research remains current. We believe our corporate relationships, access to management, and our real estate research are critical elements that contribute to competitive advantages for our real estate team versus many of our peers.

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

I would like to thank our fabulous core real estate team – assistant portfolio manager David Kirshenbaum, George Taras, David Baron, and David Berk – for their outstanding work, dedication, drive to succeed, and partnership.

Top 10 holdings

	Quarter End Market Cap ($B)	Quarter End Investment Value ($M)	Percentage of Net Assets (%)
Jones Lang LaSalle Incorporated	12.1	130.5	6.1
Brookfield Corporation	102.1	120.7	5.7
CBRE Group, Inc.	41.8	117.4	5.5
Welltower Inc.	100.5	116.4	5.5
Toll Brothers, Inc.	11.2	91.6	4.3
American Tower Corporation	103.5	91.2	4.3
Equinix, Inc.	77.8	82.3	3.9
CoStar Group, Inc.	33.9	81.7	3.8
Wynn Resorts, Limited	9.8	70.4	3.3
SiteOne Landscape Supply, Inc.	5.4	68.9	3.2

I would also like to thank you, our current and prospective shareholders, and express heartfelt gratitude for your past and continuing support.

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

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

Sincerely,

Jeffrey Kolitch

Jeffrey Kolitch
Portfolio Manager

[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.

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 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 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.

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. **EPS Growth Rate** (3-5-year forecast) indicates the long term forecasted EPS growth of the companies in the portfolio, calculated using the weighted average of the available 3-to-5 year forecasted growth rates for each of the stocks in the portfolio provided by FactSet Estimates. The EPS Growth rate does not forecast the Fund's performance.

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

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QUARTERLY LETTER | JUNE 30, 2025

Baron Real Estate Income Fund®

Retail Shares: BRIFX | Institutional Shares: BRIIX | R6 Shares: BRIUX

Jeff Kolitch
Portfolio Manager

Dear Baron Real Estate Income Fund Shareholder,

Performance

Baron Real Estate Income Fund® (the Fund) modestly decreased 0.23% (Institutional Shares) in the second quarter of 2025, outperforming the MSCI US REIT Index (the REIT Index), which declined 1.46%.

Since inception on December 29, 2017 through June 30, 2025, the Fund's cumulative return of 87.02% was more than double that of the REIT Index, which increased 35.45%.

We are pleased to report that as of June 30, 2025, according to Morningstar, the Fund's achievements are as follows:

- **Top 7% and top 6% for the Fund's trailing 3- and 5-year performance periods**, respectively
- **Highest 5-Star Morningstar Rating™** for <u>each</u> of its 5- and 3-year performance periods
- **Highest 5-Star Overall Morningstar Rating™**
- **#4 ranked real estate fund since the Fund's inception** on December 29, 2017

Annualized performance (%) for period ended June 30, 2025

	Fund Retail Shares[1,2]	Fund Institutional Shares[1,2]	MSCI US REIT Index[1]	S&P 500 Index[1]
3 Months[3]	(0.23)	(0.23)	(1.46)	10.94
6 Months[3]	(1.34)	(1.20)	(0.71)	6.20
1 Year	15.65	15.94	7.62	15.16
3 Years	6.77	7.04	4.09	19.71
5 Years	9.04	9.32	7.38	16.64
Since Inception (12/29/2017)	8.47	8.71	4.13	13.76
Since Inception (12/29/2017) (Cumulative)[3]	83.99	87.02	35.45	163.06

As of 6/30/2025, the Morningstar Real Estate Category consisted of 217, 210, 193, and 192 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, 7th, 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, 13th, 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.

The Morningstar Ratings™ are for the Institutional share class only; other classes may have different performance characteristics. The Morningstar Ratings are based on the Morningstar Risk-Adjusted Return measures.

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 30, 2025 was 1.27% and 0.90%, 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.

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.

Recently, Baron Capital prepared a video explaining how our real estate team manages the Fund and commemorating the Fund's multi-year track record of outperformance. The title of the video is "Baron Real Estate Income: More than a REIT Fund." We encourage you to review the video which can be found on the Baron website at baroncapitalgroup.com in the Baron Real Estate Income Fund section.

We will address the following topics in this letter:

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

Our Current Top-of-Mind Thoughts

OUR BOTTOM-LINE VIEW:

We remain optimistic about the prospects for real estate and the Fund. Two key reasons for our enthusiasm are:

1. Real estate has been repriced for a higher cost of capital, and a large portion of public real estate is now attractively valued at significant discounts to replacement cost and other public valuation metrics.
2. We expect an improvement in real estate demand prospects against a backdrop of muted new construction activity which should bode well for real estate cash flow growth in the next few years.

More on the above and additional reasons that support our constructive outlook are as follows:

1. We believe real estate concerns are largely reflected in share prices

For some investors, ongoing real estate concerns – e.g., higher interest rates, credit impairment risks, housing affordability headwinds, consumer concerns, and depressed real estate transaction activity – have resulted in a wait-and-see mode before increasing allocations to real estate.

Our view is that a large portion of the real estate concerns are "old news," some of which are exaggerated and hyperbole, and have resulted in an unusually appealing opportunity to invest in public real estate at attractive valuations. If one waits for the all-clear signal, there is a reasonable chance one will miss a good portion of the return potential for real estate stocks.

In our opinion, investment prospects for real estate are compelling over the next one to three years with strong upside potential relative to a more modest downside likelihood.

2. The investment case for real estate is compelling

- Demand conditions are mostly favorable against a backdrop of muted new real estate supply.
  - Demand: Cyclical growth opportunities for well-located real estate and secular real estate tailwinds (e-commerce for industrial real estate, affordability advantages for residential-related rental companies, aging baby boomers for senior housing, increased spending on travel, rising data consumption and artificial intelligence for data centers) are underappreciated in our opinion.
  - Supply: The competitive supply outlook is broadly benign, due to modest new construction in the last three years and limited new supply forecasted for the next three years. The higher costs for land, labor, and construction materials combined with elevated borrowing costs for developers have served as constraints on new competitive construction. In many cases, it is more economical to buy assets today that often trade at discounts to replacement cost rather than to build at current cost levels.
- Balance sheets are generally in solid shape and use significantly less leverage than the private market.
- Debt capital is widely available, and credit spreads have compressed for high quality borrowers.
- Substantial capital (private equity, sovereign wealth funds, pension funds, 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 repriced for a higher cost of capital and many real estate valuations are compelling. See below.

3. Several real estate valuations are cheap relative to replacement costs, historical public valuations, and future growth prospects

Replacement cost refers to the price that it would cost to replace an existing asset with a similar asset at the current market price. Currently, there is an unusually favorable opportunity to acquire real estate shares at significant discounts to replacement cost in desirable geographic markets (strong demand prospects with limited new construction). Examples include hotel, office, multi-family, single-family rental, and mall companies.

Buying real estate below replacement cost offers several benefits:

- Constrained supply: If a real estate property or company is purchased below replacement cost in a geographic market with compelling long-term demand/supply prospects, it may become a strong investment because it will be more expensive for competitors to build similar properties because they will face higher construction costs.
- Flexibility in pricing: Lower rents can be charged versus newly built real estate which may make one's real estate property more competitive in the rental market. Even better, landlords may have room to increase rents to a higher level before the higher rents justify new construction.

- Potential to increase the real estate value: With a lower cost basis, you have more flexibility to enhance the property through capital expenditure improvements and strong management, thus increasing its value.
- Downside protection: Buying below replacement cost provides financial flexibility against a market correction in property values.
- Higher return on investment: Buying below replacement cost can lead to a higher potential return on investment.

In addition to the opportunity to acquire several real estate shares below replacement cost, the valuations of several REIT and non-REIT real estate companies are cheap relative to other historical public market valuation metrics and future growth prospects. For examples of best-in-class real estate companies that are attractively valued, please see "Examples of best-in-class real estate companies that are attractively valued" in our March 31, 2025, shareholder letter.

4. We continue to identify compelling opportunities in several REIT and non-REIT real estate companies

Please see "Portfolio Composition" later in this letter for additional thoughts on the Fund's investments.

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

We continue to believe our approach to embracing and structuring a more expansive and diversified real estate income fund where we invest primarily in REITs (at least 75% to 80% of net assets) but also have the optionality to invest up to 20% to 25% in non-REIT real estate-related companies (primarily dividend paying real estate companies), will shine even brighter in the years ahead, in part due to the rapidly changing real estate landscape which, in our opinion, requires more discerning analysis.

Portfolio Composition

As of June 30,2025, we invested the Fund's net assets as follows: REITs (81.9%), non-REIT real estate companies (15.4%), and cash and cash equivalents (2.7%). We currently have investments in 13 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, which we outline below.

Fund investments in REIT categories

	Percent of Net Assets (%)	
REITs		81.9
Health Care REITs	13.6	
Industrial REITs	12.7	
Data Center REITs	10.0	
Wireless Tower REITs	9.9	
Multi-Family REITs	6.7	
Mall REITs	5.8	
Office REITs	5.1	
Single-Family Rental REITs	3.6	
Self-Storage REITs	3.6	
Triple Net REITs	3.5	
REITs (continued)		
Other REITs	3.0	
Hotel REITs	2.5	
Mortgage REITs	1.9	
Non-REITs		15.4
Cash and Cash Equivalents		2.7
Total		**100.0***

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

Summary REIT and Non-REIT Category Commentary

Health Care REITs (13.6%)

- **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.**
- 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.

Industrial REITs (12.7%)

- **In 2024, we were 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. and EastGroup Properties, Inc.** In the most recent quarter, we acquired shares in **Terreno Realty Corporation**.
- For our recent thoughts on Prologis, please see "Top detractors" later in this letter.

Data Center REITs (10.0%)

- Following disappointing share price performance in the first quarter of 2025, **we increased the Fund's allocation to data center REITs Equinix, Inc. and Digital Realty Trust, Inc.**
- **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 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 net purchases" for our more complete thoughts on Equinix.

Wireless Tower REITs (9.9%)

- **We had 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 2025, we reacquired shares in American Tower and acquired shares in SBA Communications Corp.**

Multi-Family REITs (6.7%)

- **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.

Mall REITs (5.8%)

- **We remain optimistic about the prospects for mall REITs, The Macerich Company and Simon Property Group, Inc.** 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.

Office REITs (5.1%)

- 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. **The Fund maintains a position in New York-centric office REIT Vornado Realty Trust and remains optimistic about the company's long-term prospects.**
- **In the second quarter, we began acquiring shares in BXP, Inc.** (formerly known as Boston Properties), a blue-chip office REIT that owns a portfolio of premier office properties in coastal U.S. markets including Boston, New York City, San Francisco, Washington, D.C., Los Angeles, and Seattle. We believe the company's growth prospects are likely to accelerate in 2026 and its valuation is compelling relative to replacement cost and private market valuations.

Single-Family Rental REITs (3.6%)

- **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. We believe valuations are attractive.

Self-Storage REITs (3.6%)

- **We have been cautious about self-storage REITs due to a two-year period of flat to negative growth. In 2025, we have become incrementally bullish on self-storage REITs.** Our due diligence suggests that a positive fundamental inflection may be 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.
- In the second quarter, the Fund acquired shares in **SmartStop Self Storage REIT, Inc.**, a self-storage REIT that owns a portfolio of 171 properties across 22 states and 3 provinces in Canada. Please see the "Top net purchases" section later in this letter for an explanation of why we are excited about our investment in the company.

Triple Net REITs (3.5%)

- **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, and 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.
- We recently acquired shares in **VICI Properties Inc.**, a triple net lease REIT that owns one of the largest high-quality portfolios of gaming, hospitality, wellness, and entertainment destinations. We will elaborate on the Fund's investment in VICI in future shareholder letters.

Other REITs (3.0%)

- In the second quarter, we acquired shares of **Iron Mountain Incorporated** at what we believe was a compelling valuation level. Iron Mountain offers records storage management along with an evolving fast-growing data center segment. We have met with CFO Barry Hytinen and remain encouraged by the company's prospects to grow overall cash flow by approximately 10% and by high single digits on a per share basis over the next several years. Growth is underpinned by predictable and stable growth in its core records management business while outsized growth is driven by its data center business, which has visibility to more than the triple operational capacity from today's in-place base.

Hotel REITs (2.5%)

- In the most recent quarter, we acquired shares in **Host Hotels & Resorts, Inc.**, the world's largest lodging REIT. We have a favorable view of the company because it owns and operates a large portfolio of premier hotels in attractive geographic markets that should generate strong growth over time. Management maintains a strong and liquid investment grade balance sheet. We view the company's current valuation as compelling.

Mortgage REITs (1.9%)

- Following encouraging meetings with the management team of **Blackstone Mortgage Trust, Inc.**, we have continued 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 (15.4%)

- 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.

Top Contributors and Detractors

Top contributors to performance for the quarter

	Quarter End Market Cap ($B)	Contribution to Return (%)
Brookfield Corporation	102.1	0.60
SmartStop Self Storage REIT, Inc.	2.0	0.56
Wynn Resorts, Limited	9.8	0.41
American Healthcare REIT, Inc.	5.9	0.39
Digital Realty Trust, Inc.	59.9	0.39

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, large scale capital, and the synergies among its businesses provide significant opportunities for growth. While shares performed well in the quarter, we continue to believe the company offers significant value at a recent share price of $62. Brookfield's management team, who in our opinion is credible and conservative, believes the company is worth $100 per share today and $176 in five years. Brookfield has investments in publicly traded and private real estate-related businesses. Brookfield's ownership interests in four publicly listed Brookfield companies (Brookfield Asset Management, Brookfield Infrastructure Partners, Brookfield Renewable, and Brookfield Business Partners) are currently valued in the public market at $52 per share or almost the same price as the share price for the entire company. The public market is currently ascribing little value to Brookfield's non-public investments, insurance business and carried interest, which we believe are also worth at least $25 per share (net of debt) today and offer significant further upside through growth.

The share price of **SmartStop Self Storage REIT, Inc.** appreciated during the quarter. We would characterize the second quarter (the first quarter as a public company) as "the company is executing as it said it would." Specifically, the company saw improving operating metrics, reported outsized earnings growth, and announced several tuck-in acquisitions, all of which helped the company's valuation multiple expand to levels closer to those of its self-storage public peers. Please see the "Top net purchases" section of the shareholder letter for more detail on our investment thesis for SmartStop.

Wynn Resorts, Limited is the pre-eminent 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.

We believe the valuation of Wynn remains compelling and reflects limited growth in Las Vegas, Macau, and Boston, and largely ignores the growth that we expect from its UAE development.

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.

Top detractors from performance for the quarter

	Quarter End Market Cap or Market Cap When Sold ($B)	Contribution to Return (%)
Independence Realty Trust, Inc.	4.1	(0.69)
Prologis, Inc.	99.8	(0.50)
Weyerhaeuser Company	18.5	(0.44)
Ventas, Inc.	28.5	(0.35)
Equinix, Inc.	77.8	(0.29)

Independence Realty Trust, Inc. (IRT) was a detractor during the quarter due to economic concerns of tariff policies impacting lower income consumers, softer-than-expected pricing power on new leases, and mixed investor reception of the company's select acquisitions. IRT owns 33,000 apartment units that cater to a more affordable income demographic. We believe the return prospects for the stock continue to be attractive given the company's discounted public market valuation relative to both recent private market transactions and publicly traded peers that have communities in overlapping markets, its "value-add" program that provides enhanced growth prospects versus peers, abating supply deliveries in its markets that should enhance pricing power and its superior management team.

The shares of **Prologis, Inc.**, a best-in-class industrial REIT, underperformed in the second quarter due to a somewhat slower leasing environment (following a robust first quarter) as many companies paused lease decision making while awaiting more clarity on global tariffs and trade policies. Our sense is that leasing activity has still improved from the beginning of the year and that significant pent-up demand could be unleashed as business confidence improves.

We recently had the pleasure of hosting CEO Hamid Moghadam for a meeting in our office, and we were left with the following takeaways:

1. A reminder that Prologis benefits from a high-quality real estate portfolio, an unmatched global platform, strong competitive advantages (scale, data, and technology), and an exceptional management team.
2. Hamid remains optimistic about the multi-year prospects for Prologis, 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, nearshoring/onshoring).
3. Hamid expects that Prologis's recent foray into select data center development (that carry high risk-adjusted returns on already owned land) will likely become an increasingly accretive source of growth in the coming years.

We continue to believe the appreciation potential for Prologis' shares remains compelling given the strong runway for future cash flow and earnings growth in the next several years and a more favorable valuation multiple following a recent correct in share price.

During the quarter, we decided to exit our position in **Weyerhaeuser Company**. While shares have continued to trade at a significant discount to NAV, a softer-than-expected residential housing market this year resulted in a weak demand environment, which ultimately weighed on lumber and other wood products prices. As we wrote in our prior quarterly letter, Weyerhaeuser typically tracks the price of lumber, so soft demand and lower wood products prices can have a negative impact on the business and on the stock. We plan to continue monitoring the business and will potentially re-engage at the appropriate time.

Recent Activity

Top net purchases for the quarter

	Quarter End Market Cap ($B)	Net Amount Purchased ($M)
Equinix, Inc.	77.8	10.7
SmartStop Self Storage REIT, Inc.	2.0	7.5
Iron Mountain Incorporated	30.3	6.5
Host Hotels & Resorts, Inc.	10.7	5.6
BXP, Inc.	10.7	5.2

SECTOR

In the most recent quarter, we purchased additional shares in **Equinix, Inc.**, the premier global operator of 270 network-dense, carrier-neutral colocation data centers with operations across 36 countries and 6 continents. We acquired shares at what we believed were compelling valuation levels. Shares retrenched, however, in the last few days of the quarter due to the company outlining incremental capital investments at its bi-annual Investor Day that will depress near-term growth but pay dividends longer term.

Though we are encouraged by the expanding growth drivers for Equinix, management's updated five-year earnings growth outlook was below investor expectations. While top-line growth is encouraging, the company is ramping up capital investments over the next several years, which will dampen per share cash flow growth over the next two years, in particular. This led to a material initial sell-off in the shares. While the near-term growth prospects are disappointing and below our expectations as well, we believe the company is taking the right steps to position the business for higher growth ahead. Given Equinix needs to bring on new data center facilities to fulfill the demand signals they are seeing from customers, there is an initial drag on earnings while the data center is built and then stabilized. We bucket our current view of Equinix in the Baron investment framework where the company is taking "short-term pain for long-term gain." Equinix has built a highly valuable inter-connected ecosystem and thus enjoys premium pricing and outsized returns on capital. Furthermore, the balance sheet remains well positioned to fund this investment with ample debt capacity and no need for external equity.

During the quarter, we participated in the IPO of **SmartStop Self Storage REIT, Inc.**, a self-storage REIT that owns a portfolio of 171 properties across 22 states and 3 provinces in Canada. We had been closely following and meeting with the company over the last several years and most recently had spent time with members of the leadership team while touring properties in Canada. We are excited about our investment in SmartStop for several reasons:

1. <u>We view self-storage as an attractive real estate business over the long term</u> owing to less cyclical demand (a portion is non-discretionary), strong pricing power on in-place customers (high hassle cost to switch versus low monthly financial cost), and low capital intensity.
2. <u>Large institutional owners have competitive scale advantages</u> that lead to higher occupancy and rents relative to smaller players. The scale advantages stem from data analytics, technology investments, revenue management systems, and access to capital.
3. <u>SmartStop is poised to benefit from outsized growth potential over the next several years, driven by several factors</u>:
   - <u>First</u>, the company generates approximately 15% of cash flow from the Greater Toronto Area, where growth is expected to continue to outpace that of the U.S. owing to strong population growth and growing adoption of self storage.
   - <u>Second</u>, the company has aspirations to be acquisitive going forward, which could be needle-moving given the company's relatively smaller asset base versus public peers. The company can acquire using its balance sheet or through managed funds (through which SmartStop will also earn fees).
   - <u>Third</u>, the company has an active development pipeline in Canada through a joint venture with SmartCentres, one of the largest Toronto-listed REITs.
4. <u>SmartStop has a proven management team, led by veteran CEO Michael Schwartz, who has aligned interests through his 5% ownership stake in the company</u>.

At the IPO price of $30 per share, we believed we were acquiring shares at a nearly 30% discount to management's estimated net asset value of $42.

After exiting our position and harvesting tax losses in the first quarter of 2025, we noted that we may revisit the Fund's investment in **Iron Mountain Incorporated**. In the second quarter, we re-acquired shares, at more compelling valuation levels. As a reminder, Iron Mountain offers records storage management along with an evolving fast-growing data center segment. We have continued to meet with CFO Barry Hytinen and remain encouraged by the company's prospects to grow overall cash flow by approximately 10% and by high single digits on a per share basis over the next several years. Growth is underpinned by predictable and stable growth in its core records management business while outsized growth is driven by its data center business, which has visibility to more than triple operational capacity from today's in-place base.

Top net sales for the quarter

	Quarter End Market Cap or Market Cap When Sold ($B)	Net Amount Sold ($M)
Weyerhaeuser Company	18.5	6.0
AvalonBay Communities, Inc.	29.3	5.7
Crown Castle Inc.	43.7	5.5
Independence Realty Trust, Inc.	4.1	5.4
American Homes 4 Rent	13.4	4.6

As noted earlier in this letter, we exited our position in **Weyerhaeuser Company** and reallocated the capital to what we believe are higher return prospects. We plan to continue monitoring the business and will potentially re-engage at the appropriate time.

We exited **AvalonBay Communities, Inc.** during the second quarter due to less favorable economics for development along with near-term dilutive portfolio reshaping and modest growth prospects. We reallocated capital to higher conviction investment ideas.

During the quarter, we exited our position in **Crown Castle Inc.** given continued executive turnover, its elongated sale process for its fiber and small cell businesses, and the company's lower growth profile. We elected to consolidate our tower exposure into leading blue-chip player **American Tower Corporation**.

Concluding Thoughts on the Prospects for Real Estate and the Fund

We remain optimistic about the prospects for the equity market, real estate, and the Fund.

It appears that several tailwinds are emerging that could propel equities higher including: currently modest economic growth which we believe could accelerate in the next few years due to less regulation, lower taxes, less onerous tariffs than feared initially, a pro-growth reconsolidation bill, possible interest rate cuts, the AI super cycle which could lead to an acceleration in revenues, an improvement in margins via cost-cutting, and faster earnings growth for several companies, and the possibility of a pickup in mergers, acquisitions, and initial public offerings.

We also believe we have developed the right real estate product and investment process for long-term success. In our opinion, the merits of our dividend-yield focused REIT and non-REIT real estate 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.

Our team’s investment process remains thorough. We employ an investment process checklist that we utilize for all investments that includes meeting with management, touring the real estate, crafting an investment memo, building financial models, speaking to competitors, speaking to tenants, and many other diligence items. We speak to a broad swath of real estate companies – both owned and not owned – in some cases a few times each quarter to make sure our research remains current. We believe our corporate relationships, access to management, and our real estate research are critical elements that contribute to competitive advantages for our real estate team versus many of our peers.

Currently, we believe we have assembled a portfolio of best-in-class competitively advantaged real estate companies with compelling long-term growth and share price appreciation potential.

I would like to thank our fabulous core real estate team – assistant portfolio manager David Kirshenbaum, George Taras, David Baron, and David Berk – for their outstanding work, dedication, drive to succeed, and partnership.

I would also like to thank you, our current and prospective shareholders, and express heartfelt gratitude for your past and continuing support.

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

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

Sincerely,

Jeffrey Kolitch

Jeffrey Kolitch
Portfolio Manager

[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.

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 **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 Morningstar Rating does not include any adjustment for sales loads. 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.

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).

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BARON CAPITAL

QUARTERLY LETTER | JUNE 30, 2025

Baron Technology Fund®

Retail Shares: BTEEX | Institutional Shares: BTECX | R6 Shares: BTEUX

Ashim Mehra
Portfolio Manager

Michael Lippert
Portfolio Manager

Dear Baron Technology Fund Shareholder,

Performance

During the second quarter, Baron Technology Fund® (the Fund) posted robust gains, increasing 31.06% (Institutional Shares), outperforming the MSCI ACWI Information Technology Index (the Benchmark), which gained 23.29%, and the broader S&P 500 Index, which rose 10.94%. For the first half of 2025, the Fund increased 11.67%, outperforming both the Benchmark and the S&P 500 Index, which gained 8.93% and 6.20%, respectively.

Annualized performance (%) for period ended June 30, 2025[†]

	Fund Retail Shares[1,2]	Fund Institutional Shares[1,2]	MSCI ACWI Information Technology Index[1]	S&P 500 Index[1]	MSCI ACWI Index[1]
3 Months[3]	30.93	31.06	23.29	10.94	11.53
6 Months[3]	11.56	11.67	8.93	6.20	10.05
1 Year	33.99	34.35	14.86	15.16	16.17
3 Years	33.90	34.38	28.53	19.71	17.35
Since Inception (12/31/2021)	11.98	12.33	12.12	9.48	7.54

Review and Outlook

Why Baron Technology Fund Stands Out

Unwavering focus. We manage the Fund with an unwavering focus on delivering superior long-term returns by identifying and investing in a portfolio of technology winners with sustainable competitive advantages and durable growth prospects from technology innovation, advances, and utilization. Transformative technology trends—such as AI; cloud computing; autonomous transportation; robotics; and digital commerce, media, and services—will shape the future, disrupt existing industries, and drive long-term investment returns.

Active management. We believe our disciplined, active management approach has enabled us to differentiate the Fund from and outperform our Benchmark and competitive passive indexes and ETFs, such as the Invesco QQQ ETF.

- **Navigating market concentration.** Today's markets have become increasingly concentrated due to the significant stock outperformance and market capitalization gains of the leading technology companies. The top 10 companies in the Invesco QQQ ETF account for 53% of the portfolio, and the Magnificent Seven occupy seven of the top nine slots (**Broadcom Inc.** and **Netflix, Inc.** were the other names mixed in with the Magnificent Seven). This concentration poses risks for passive technology investors, as the portfolio weights are rooted in historical returns and current market capitalizations, not future growth prospects or expected returns. We take a different active management approach. We emphasize companies with strong growth opportunities, competitive advantages, and promising returns. While our top 10 holdings, representing just under 54% of the portfolio, include five of the Magnificent Seven and Broadcom, we size positions based on our research-based conviction, not market capitalization. Our top ten investments also include leading innovators such as **Spotify Technology S.A.**, **Taiwan Semiconductor Manufacturing Company Limited** (TSMC), **The Trade Desk**, and **Zscaler, Inc.**, which are often overlooked or underrepresented in passive indexes. Our stock selection strategy aims to balance exposure to proven leaders and emerging innovators, managing concentration risk while also targeting sustainable growth.

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 30, 2025 was 1.75% and 1.35%, 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.

- **Portfolio differentiation.** We highlight several other factors that differentiate the Fund from passive competitors. (i) *Faster growth*. We prioritize businesses with robust and durable revenue growth—our "faster-for-longer" tagline—and profitable, cash-generating business models. On a trailing three-year basis, our portfolio holdings have delivered revenue growth of 29.6% and earnings growth of 40.1%, far outpacing both the Benchmark (9.7% and 9.7%, respectively) and Invesco QQQ ETF (11.4% and 10.6%, respectively). (ii) *More small and mid-caps.* The heavy mega-cap concentrations in the Benchmark and Invesco QQQ ETF leave little room for more than slight exposure to small- and mid-cap stocks, resulting in passive investors missing out on some of the market's most compelling growth stories. In contrast, our Baron research heritage and active management approach enables us to provide Fund investors with material investments in unique, higher-growth businesses. The Fund portfolio ended the second quarter with a 38.3% allocation to small- and mid-cap stocks, far above the Benchmark and Invesco QQQ ETF, which have weights of just 8.1% and 11.2%, respectively.

Superior long-term performance. We believe our research-based, active-management approach has enabled the Fund to outperform the Benchmark, S&P 500 Index, Invesco QQQ ETF, and Morningstar Technology Category (the Category) since inception (December 31, 2021) and all trailing periods shown below. In addition, Morningstar has ranked the Fund in the 4th percentile of the Category for the trailing-three-year period and in the 8th percentile since inception.

	Annualized Returns (%) as of 6/30/2025				
	QTD	YTD	1 Year	3 Years	Since Inception
Baron Technology Fund (Institutional Shares)	31.06	11.67	34.35	34.38	12.33
MSCI ACWI Information Technology Index	23.29	8.93	14.86	28.53	12.12
S&P 500 Index	10.94	6.20	15.16	19.71	9.48
Invesco QQQ ETF	17.80	8.24	15.86	26.17	10.56
Morningstar Technology Category Average	22.83	10.15	19.59	22.39	4.82
Morningstar Technology Category Percentile Rank	11th	33rd	98th	48th	8th

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.

As of 6/30/2025, Morningstar Technology Category consisted of 271, 248, and 239 share classes for the 1-year, 3-year, and since inception (12/31/2021) periods, respectively. Morningstar ranked Baron Technology Fund in the 9th, 4th, and 8th percentiles for the 1-year, 3-year, and since inception periods, respectively.

Morningstar calculates the Morningstar Technology 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.

Market Backdrop

Last quarter we wrote that the short-term market is a confidence game and subject to swings in investor sentiment. This quarter, with the potent cocktail of the tariff pause and the steady advancement of AI, investor optimism was reinvigorated.

Despite declining by double digits in early April, all major U.S. indexes rebounded to finish in positive territory for the quarter. Risk-off sentiment to start the period centered around President Trump's April 2 tariff announcement, which Wall Street strategists viewed as more severe than expected and likely to slow economic growth, boost inflation, and increase the odds of a recession. The S&P 500 Index fell more than 12% over the next four trading days, nearly entering bear market territory from its all-time high in February (down almost 19%). The technology-heavy NASDAQ Composite Index officially entered a bear market on this retreat. After bottoming on April 8, U.S. equities rebounded due to positive trade developments. On April 9, President Trump announced a 90-day pause on most reciprocal tariffs to allow for negotiations. China was the only country excluded from the pause, but U.S. and Chinese officials eventually agreed to a de-escalation of tariffs on May 12, alleviating investor concerns and contributing to additional market gains. Other market catalysts included resilient corporate earnings amid tariff-driven pressures, dovish Federal Reserve commentary following muted May inflation, improving consumer sentiment, a ramp in M&A and IPO activity, and AI tailwinds from **NVIDIA Corporation**'s strong earnings results.

Second Quarter Performance

As stated above, we manage the Fund with a focus on identifying long-term winners benefiting from critical shifts in technology. Transformative technology trends—such as AI; autonomous transportation; robotics; digital commerce, media, health—will shape the future and drive long-term investment returns. For the second quarter, the Fund appreciated 31.1%, beating the benchmark by 777 basis points, largely driven by stock selection.

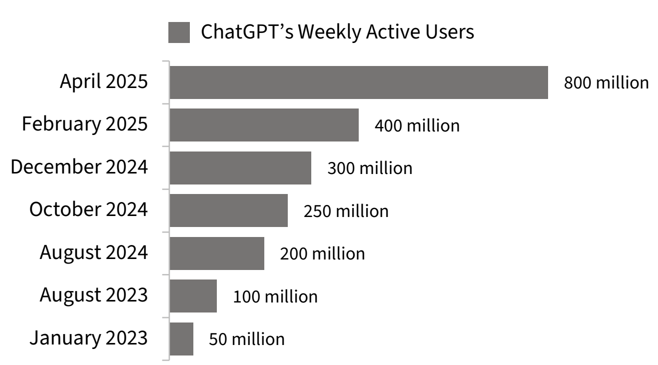
Our Information Technology (IT) investments led the way, accounting for 72% of the Fund's outperformance in the period. Significant contributors in IT included semiconductor businesses Broadcom, TSMC, and **indie Semiconductor, Inc.**, and systems software companies **Cloudflare, Inc.** and Zscaler. Our strong stock selection in IT was enhanced by the Fund's meaningfully lower exposure to **Apple Inc.**, which significantly lagged the Benchmark during the period. Other top relative contributors were a diverse set of digital services leaders, including Spotify, the world's most popular music and audio streaming service; **Duolingo, Inc.**, a leading language-learning application; as well as two IPOs we participated in during the period: **MNTN, Inc.**, a performance-driven Connected TV advertising company focused on mid-sized advertisers, and **Hinge Health, Inc.**, an innovative digital health care company that automates care for joint and muscle health.

Technology and AI Highlights

Trump Administration. In our last letter, despite heightened uncertainty about tariffs and AI-related trade restrictions, we wrote: "The Trump administration's words and actions…underscore a commitment to prioritizing AI for national and economic security and a broader goal of maintaining U.S. AI leadership." On May 7, the administration announced its intention to rescind the Biden administration's AI Diffusion rule, with a spokesperson saying it would be replaced with "a much simpler rule that unleashes American innovation and ensures American AI dominance." Earlier in the second quarter, the administration sent mixed signals by banning NVIDIA from selling its H20 low-end AI chip to China, but just this week NVIDIA announced that it had received assurances from the U.S. government that export licenses for its H20 chips will be granted, with the company expecting to resume shipments "very soon." Also this week, David Sacks, well known from the All-In podcast, and now the White House AI and Crypto Czar, reiterated the administration's AI policy goals in a CNBC interview: "President Trump assigned us this mission of winning the AI race and there's really three ways I think we do that. Number one is innovation. We have to outcompete our global adversaries. There is just no substitute for innovation. You can't regulate your way to winning the AI race. And in the U.S. innovation is done by the private sector... Number two is AI infrastructure. We have to have the biggest, the most, the best AI infrastructure...The third is AI exports. We have to basically export American technology around the world. We have to make it the global standard. In Silicon Valley we understand that the companies that win are the ones that create the biggest ecosystem. They have the most developers on their platform ... [W]e want American technology to be the global standard. We want the most people using it. We want data centers across the world to be adopting the American technology stack…[W]e want to have a mentality of expanding adoption...of American technology. That's the way we win the AI race." We agree with these goals, Sacks' observations, and the criticality of private sector innovation to win the race.

AI adoption and revenue growth. While we are still in the early innings of AI adoption and revenue generation, some notable examples show faster growth than ever experienced before in the digital age. ChatGPT has set records for user acquisition: it hit 100 million monthly active users (MAUs) within just two months of its release (by January 2023), and 100 million weekly (not monthly) active users by August 2023, 200 million by August 2024, 400 million by February 2025, and 800 million by April 2025.

From Niche Tool to Household Name:
The ChatGPT Growth Story



Source: OpenAI.

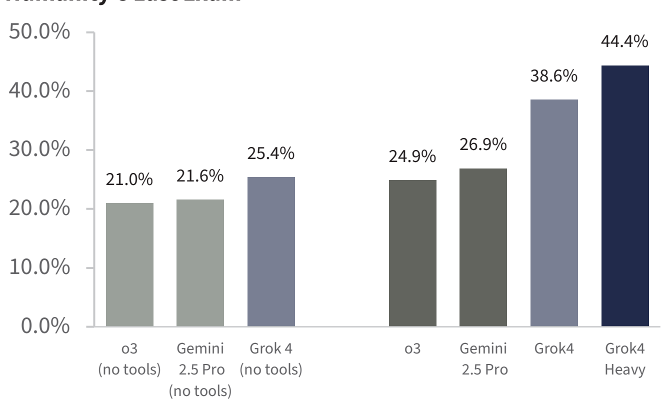
In contrast, it took TikTok nine months and Instagram 2.5 years to reach 100 million MAUs. From an AI monetization perspective, some of the pioneers have achieved stunning growth: OpenAI is projected to do more than $12 billion of revenue in 2025, up from $2.7 billion in 2024; Anthropic's revenue run rate has quadrupled since the start of this year, ramping from about $1 billion to about $4 billion; and Microsoft reported a total AI revenue run rate of $13 billion for the December 2024 quarter, growing 175%.

AI ROI. Investors and analysts continue to debate AI's return on investment as companies like the AI frontier model builders (OpenAI, xAI, Anthropic, and Meta) and the hyperscalers (Microsoft Azure, Amazon Web Services, Google Compute, and Oracle Cloud Infrastructure) continue to invest massive amounts in AI training and inference infrastructure. We believe these companies and their leaders have their eyes on the prize–an immense prize. NVIDIA's CEO Jensen Huang has pronounced: "No technology has ever had the opportunity to address a larger part of the world's GDP than AI." If you are not in the race, you are out of this competition and relegated to watching from the sidelines and becoming disrupted and irrelevant, much like Nokia during the smartphone revolution. Today, even 30 years into the Internet digital era, technology spending only accounts for 5%—about $5 trillion—of the $110 trillion of global GDP, with human labor representing about 45% to 50%. The pursuit of Artificial General Intelligence (AGI), which can perform any intellectual task a human can, and Artificial Superintelligence (ASI), which surpasses human intelligence, will disrupt and transform the global economy and "impact every industry" (quoting Jensen again). AI's leaders understand the prize is in the trillions, not billions.[1] McKinsey has estimated a long-term AI opportunity of $4.4 trillion in added productivity growth,[2] but this strikes us as merely the first fraction of the real 10-to-20-year opportunity. In a recent report Goldman Sachs evaluated the "over $350 billion in cumulative CapEx spent on the first wave of AI infrastructure to develop Large Language Models (LLMs)." The report calculated $925 billion in savings from the first wave across the Fortune 500 by 2030 resulting from headcount reductions and employee productivity gains. Goldman cited benchmarks disclosed by large corporations, including JP Morgan planning to cut 10% of Consumer & Community Banking operations headcount over five years; Amazon seeing a smaller corporate workforce in upcoming years; and IBM citing 30% cost savings in its customer service costs tied to the use of chatbots and agents and 40% to 70% reductions in procurement costs from the adoption of AI tools.

Morgan Stanley Q2 2025 CIO Survey. Highlights we found noteworthy: (i) 37% of CIOs expect IT spending to increase as a percentage of total revenue over the next three years versus 11% who expect it to decline, translating to a 3.4 times up-to-down ratio, which is healthy but below recent highs from the Q3 2023 survey; (ii) AI sustained its position at the top of the CIO priority list, followed by cloud computing and security software; (iii) security software remained the most defensive area of IT spend by a wide margin, followed by compliance software, CRM applications, and AI and process automation; (iv) 60% of CIOs expect to have AI-based workloads in production by the end of 2025; and (v) CIOs estimate 68% of application workloads to reside in the public cloud by the end of 2027 (from 44% today).

xAI's Grok 4 release. After being founded by Elon Musk just two-and-a-half years ago, on July 9 xAI released its highly anticipated Grok 4 model, built on the largest coherent AI accelerator (or graphics processing units (GPUs)) cluster in the world. Grok 4 benchmarking showed best-in-class results against leading models from OpenAI, Anthropic, Google, and others. These achievements provide more proof that multiple AI scaling laws remain intact. XAI trained Grok 4 on Colossus, the world's largest compute cluster, with over 200,000 high-performance NVIDIA GPUs all networked together as a single AI training computer. XAI stressed that Grok 4 benefited not only from scaling next-token prediction pre-training to unprecedented levels (100 times more compute than Grok 2), but reinforcement learning (RL)[3] training that refined Grok's reasoning abilities to new heights (using 10 times more compute than Grok 3). These RL and reasoning capabilities enable Grok to use tools like a code interpreter and web browsing in situations that are usually challenging for LLMs. Grok can use advanced keyword and semantic search tools, run its own queries to find knowledge from across the web, and employ powerful tools to find information from deep within X. On the Grok 4 Livestream, Elon stated that Grok "is the smartest AI in the world;" if given a graduate student GRE exam, "it will get near-perfect results in every discipline of education…from humanities to…languages, math, physics, engineering;" and it "is post graduate PhD level in everything…better than PhD level in every subject…no exceptions." Elon did allow that Grok "at times may lack common sense and has not yet invented new technologies or discover[ed] new physics, but that is just a matter of time." As shown below, Grok achieved unprecedented results on a benchmark called Humanity's Last Exam,[4] a 2,500 question test across a broad range of subjects. The most knowledgeable human might only score up to 5% on this benchmark, but Grok 4 achieved 25% accuracy with no tools and almost 39% with tools; Grok 4 Heavy, which can use multiple AI agents to derive answers, scored over 44% with tools. Elon described the current tools as "fairly primitive," and said more "powerful tools" would be enabled later this year.[5]

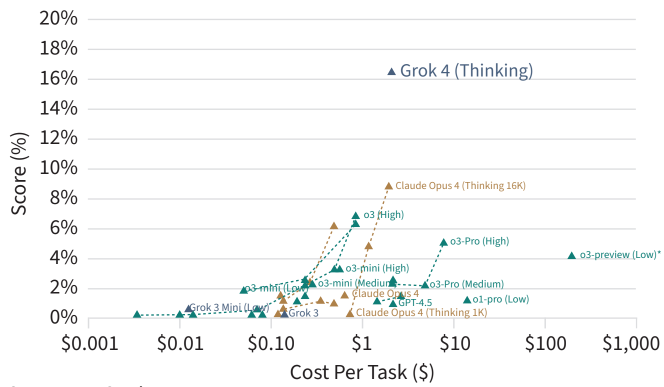
Humanity's Last Exam



Source: xAI.

On another exam, ARC-AGI 2,[6] a benchmark that tests a model's ability to handle reasoning tasks, plotting models based on their score percentage, Grok 4 looks like an outlier, scoring 15.9% (nearly double Anthropic's Cloud Opus 4 model).

ARC-AGI-2 Leaderboard



Source: ARC Prize, Inc.

XAI plans to ramp its AI compute cluster towards 1 million GPUs. Elon emphasized that "we're at the beginning of an immense intelligence explosion…[w]e're at the intelligence big bang," but the "real test" for AI is "reality." Will AI "invent a new technology…improve the design of a car or a rocket or create a new medication…Does the rocket get to orbit? Does the car drive? Does the medicine work?" Elon, who has a history of bold predictions, stated "[Grok] may discover new technologies as soon as later this year and I would be shocked if it has not done so next year…it might discover new physics next year."

Tesla's Robotaxi launch. Starting back in late 2016, Tesla equipped every vehicle it produced with a standardized set of cameras, computing hardware, and communication devices. By the end of the second quarter of 2025, Tesla's fleet had scaled to 7.5 million vehicles, and it had driven over 3.5 billion cumulative miles with Full Self Driving (Supervised). Tesla has been leveraging this data, together with large-scale AI training compute infrastructure and advanced algorithms, to develop its autonomous driving software.[7] After years of investment and development, Tesla launched its Robotaxi service in Austin on June 22. This marked a significant step toward the company's long-term goal of operating a large, fully autonomous ride-hailing network. As expected, the initial rollout was limited in geographic coverage, user base, and fleet size. In less than a month, however, the company more than doubled the original coverage area in Austin. Additionally, on June 27, just five days after the Robotaxi launch, Tesla completed its first fully autonomous vehicle delivery, transporting a new Model Y from the factory directly to a customer.

AI acqui-hires. There are a limited number of people with strong technical AI backgrounds and experience. This has led to a war for talent among the top companies. Social media has near-daily reports of talent leaving one AI player to join another. Recently, there has been a flurry of aqui-hire deals designed to avoid anti-trust scrutiny. These include: (i) Meta's $14.8 billion investment in Scale AI, acquiring a 49% minority nonvoting stake and hiring Scale AI's CEO, Alexander Wang, to lead Meta's newly formed Superintelligence team; (ii) Google's $2.4 billion deal to hire Windsurf's leadership team, beating out OpenAI after its $3 billion acquisition fell apart over Microsoft concerns regarding Windsurf's intellectual property; (iii) Microsoft's aqui-hire deal, valued at $650 million, to land the entire leadership team from Inflection AI and appoint Mustafa Suleyman as CEO of Microsoft AI; and (iv) OpenAI's $6.5 billion of iO

Products, a startup co-founded by former Apple design chief Jony Ive, underlying OpenAI's goal of developing a new class of AI devices.

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/autonomous driving
- Electronic payments
- Robotics
- Targeted digital advertising

We continue to run a high-conviction portfolio, with an emphasis on the secular megatrends that are enabled by technology broadly. Among others, during the second quarter we initiated positions or increased portfolio weights in the following names:

- Semiconductors and semiconductor equipment: **NVIDIA Corporation**, **Broadcom Inc.** and **Taiwan Semiconductor Manufacturing Company Limited**
- Software: **Samsara Inc.**, **Datadog, Inc.**, and **Snowflake Inc.**
- Digital advertising: **The Trade Desk** and **MNTN, Inc.**
- E-commerce: **Eternal Limited**
- Digital sports gaming/entertainment: **DraftKings Inc.**
- Networking equipment: **Coherent Corp.**
- Digital health care technology: **Hinge Health, Inc.**

Top contributors to performance for the quarter

	Contribution to Return (%)
Broadcom Inc.	4.56
NVIDIA Corporation	4.19
Spotify Technology S.A.	2.71
Duolingo, Inc.	1.92
Taiwan Semiconductor Manufacturing Company Limited	1.72

Broadcom Inc. is a leading semiconductor and enterprise software company, generating approximately 60% of revenue 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. Broadcom has continued its leadership in networking silicon from the cloud era to the AI era and emerged as the most reliable silicon partner for AI foundational model builders to design custom chips to train and inference their frontier models. Shares rose during the quarter on continued momentum in Broadcom's AI product lines. In its April quarter, Broadcom reported over $15 billion in total revenue, up 20%; over $4.4 billion in AI revenue, up 40%; and over $6.6 billion in software revenue, up 25%. Broadcom continued to demonstrate excellent profitability, with operating margins over 65% and free cash flow margins at 43%. On the company's earnings call and during other public appearances, Broadcom CEO Hock Tan confirmed that all programs supporting the company's projected $60 billion to $90 billion serviceable addressable AI market by 2027 were "on track," inference demand had emerged as an important AI revenue opportunity, and that the company's AI revenue growth should accelerate to the 50% to 60% level for fiscal years 2025 and 2026.

NVIDIA Corporation is a semiconductor and systems company specializing in compute and networking platforms for accelerated computing. NVIDIA has captured a dominant position in AI infrastructure with a comprehensive portfolio spanning semiconductor accelerators, networking solutions, modular and rack-scale systems, and software. NVIDIA shares rebounded from their first quarter retreat, as signs emerged that the AI cluster buildouts are likely to extend into 2026, with NVIDIA maintaining its leadership. NVDIA delivered a better-than-feared April 2025 quarter, with data center revenues growing 73% to $39.1 billion, despite a $2.5 billion impact from the Trump administration's H20 China export ban, which would have beaten Street expectations by $5 billion to $6 billion if not for the ban. NVIDIA's new Blackwell chip accounted for $11 billion in revenue, the fastest ramp in the company's history. Management provided solid July 2025 quarter guidance, with total revenue expected to grow over $6 billion sequentially adjusted for the China ban. This guidance stripped out all AI-related revenue contributions from China, effectively de-risking that part of its business. Below are some CEO Jensen Huang highlights from the May earnings call:

- "There are now multiple scaling laws. There's the pre-training scaling law, and that's going to continue to scale because we have...data that came from reasoning that are now used to do pre-training. And then the second is post-training scaling law using reinforcement learning human feedback, reinforcement learning AI feedback, reinforcement learning verifiable rewards. The amount of computation you use for post-training is actually higher than pre-training...And the third part, this is the part that you mentioned, is test-time compute or reasoning, long thinking, inference scaling...The amount of tokens generated, the amount of inference compute needed is already 100 times more than the...one-shot capabilities of large language models in the beginning."
- "And the reason that is so different than data centers of the past is because AI factories are directly monetizable through its tokens generated. And so the token throughput of our architecture being so incredibly fast is just incredibly valuable to all of the companies that are building these things for revenue generation reasons and capturing the fast ROIs."
- "[G]oing forward, I think it's fairly safe to say that...almost all software will be infused with AI, all software and all services will be...ultimately based on machine learning, and the data flywheel is going to be part of improving software and services, and that the future computers will be accelerated...[We]'re in the beginning of this new era. And then lastly, no technology has ever had the opportunity to address a larger part of the world's GDP than AI...[T]his is now a software tool that can address a much larger part of the world's GDP more than any time in history.

And so the way we think about growth...has to be in the context of that. And when you take a step back and look at it from that perspective, we're really just in the beginnings."

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. Spotify shares performed well, attributable to both solid underlying results and the company's durability in an unpredictable macro environment. In the quarter, Spotify continued its path to structurally increase gross margins, aided by their high-margin artist promotions marketplace, podcasts becoming more profitable, and audiobooks coming in at a higher margin than core music. Spotify remains a sticky subscription product with relative resilience in times of consumer uncertainty. Notably, paid users continued to grow at a double-digit pace despite price hikes. Spotify also continues to innovate on the product side, calling 2025 the "year of accelerated execution," with aims to improve advertising, expand into video, and release a Super Premium tier. We believe Spotify's market-leading scale, attractive freemium model, product leadership, and pure-play focus will keep the company competitively advantaged over time. We view Spotify as a long-term winner in music streaming with potential to reach 1 billion monthly active users in the next five years.

Top detractors from performance for the quarter

	Contribution to Return (%)
Apple Inc.	(0.61)
Arista Networks, Inc.	(0.49)
Vertiv Holdings Co	(0.27)
Atlassian Corporation	(0.04)
Gartner, Inc.	(0.03)

Apple Inc. is a leading manufacturer of consumer electronics, computer software, and online services. Shares declined amid mounting headwinds, including new U.S. tariffs on Apple's China-centric supply chain, which are pressuring gross margins, and increased regulatory scrutiny of the App Store model in both the U.S. and Europe. These developments have introduced greater uncertainty around the growth and profitability of Apple's high-margin services business. While we continue to admire Apple's brand, ecosystem, and long-term innovation capabilities, the ongoing regulatory overhang and heightened risk to margins and growth prospects led us to reduce the position size and reallocate capital to holdings with more compelling risk/return profiles.

Arista Networks, Inc. is a leading provider of high-performance networking solutions for data centers, cloud providers, and enterprises. Its advanced switching and routing platforms, powered by proprietary software, offer exceptional scalability, automation, and flexibility. Arista generates revenue through hardware sales, bundled software, and post-contract support services, serving major cloud clients like Microsoft and Meta, as well as a growing enterprise customer base. Arista's stock experienced significant volatility this quarter due to concerns over potential market share losses at Meta. While Arista's management team has disclosed winning three AI cluster projects at the scale of 100,000 GPUs, uncertainties about the magnitude of its long-term success in AI networking persist. Given this evolving and uncertain landscape, we exited our position during the second quarter to take a short-term tax loss. We will continue to closely monitor developments and may revisit Arista as market dynamics clarify.

Vertiv Holdings Co is a leading provider of critical digital infrastructure solutions for data centers, including power distribution and cooling technologies. We initiated a position late in the first quarter after the stock fell sharply on the market weakness described above. The stock continued to fall in early April on continued negative news flow related to tariffs. We chose to sell our small position (less than 100 basis points) and garner a short-term tax loss. In 20/20 hindsight, this was a mistake, and we should have continued to build our position on weakness. Vertiv rallied back sharply later in the second quarter as the market became more confident around data center capital spending and Vertiv's sustainable competitive advantage, but the stock was a detractor for the Fund as we did not participate in that rally.

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 second quarter, the largest market cap holding in the Fund was $3.9 trillion and the smallest was $757 million. The median market cap of the Fund was $30.6 billion and the weighted average market cap was $1.2 trillion.

We had investments in 44 unique companies. Our top 10 positions accounted for 53.8% of net assets.

To end the quarter, the Fund had $100.6 million in net assets. Fund flows were positive in the quarter.

Top 10 holdings

	Quarter End Market Cap ($B)	Quarter End Investment Value ($M)	Percent of Net Assets (%)
NVIDIA Corporation	3,855.0	12.2	12.1
Broadcom Inc.	1,296.5	8.4	8.4
Amazon.com, Inc.	2,329.1	7.9	7.9
Spotify Technology S.A.	157.3	5.8	5.7
Taiwan Semiconductor Manufacturing Company Limited	1,174.7	4.8	4.8
Microsoft Corporation	3,697.0	4.5	4.5
Tesla, Inc.	1,023.2	3.0	2.9
The Trade Desk	35.4	2.6	2.6
Apple Inc.	3,064.4	2.6	2.5
Zscaler, Inc.	48.9	2.3	2.3

Fund investments in GICS industries

	Percent of Net Assets (%)
Semiconductors & Semiconductor Equipment	32.1
Software	19.5
Broadline Retail	7.9
Entertainment	5.7
Media	4.1
Electronic Equipment Instruments & Components	4.0
Hotels Restaurants & Leisure	3.6
IT Services	3.0
Automobiles	2.9
Technology Hardware Storage & Peripherals	2.5
Diversified Consumer Services	2.1
Capital Markets	1.7
Interactive Media & Services	1.5
Health Care Providers & Services	1.4
Personal Care Products	1.2
Real Estate Management & Development	1.2
Aerospace & Defense	1.0
Construction & Engineering	1.0
Cash and Cash Equivalents	3.7
Total	**100.0***

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

Recent Activity

Top net purchases for the quarter

	Quarter End Market Cap ($B)	Net Amount Purchased ($M)
NVIDIA Corporation	3,855.0	3.85
Broadcom Inc.	1,296.5	1.30
Amazon.com, Inc.	2,329.1	2.33
Taiwan Semiconductor Manufacturing Company Limited	1,174.7	1.17
The Trade Desk	35.4	0.04

We increased our portfolio weights in **NVIDIA Corporation** and **Broadcom Inc.** during the quarter. Please see our discussions above for more information.

We added to our position in **Amazon.com, Inc.** during the quarter to offset dilution because of positive Fund inflows during the period.

During the second quarter, we increased our position in **Taiwan Semiconductor Manufacturing Company Limited**, capitalizing on temporary stock weakness driven by tariff-related uncertainties. As the unrivaled global leader in semiconductor manufacturing, TSMC continues to benefit from surging demand for its advanced AI chips, alongside easing investor concerns over potential tariffs and macroeconomic risks. We remain highly confident in TSMC's capacity to achieve sustained double-digit earnings growth over the coming years, supported by its formidable competitive advantages. TSMC's technological superiority and state-of-the-art manufacturing capabilities cement its leadership in the industry, while its robust pricing power—stemming from its dominant market position and premium offerings—further strengthens its financial resilience.

The Trade Desk is the leading independent internet advertising demand-side platform, enabling agencies to efficiently purchase digital advertising across desktop, mobile, and online video channels. As we addressed in our last letter, we added to our position last quarter after 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. Since this "first miss ever," we have done substantial research to validate our thesis and continued adding to our position. We believe Trade Desk has been executing well, with the company-wide reorganization complete, a strong pipeline of joint business plans with brands, and the Kokai platform upgrade adoption back on track. While we continue to watch the competitive landscape as Amazon enters the market more meaningfully, we believe Trade Desk represents the best option for advertisers for biddable Connected TV inventory. Trade Desk's core positioning and strategy has also been validated, as major companies like Netflix, Disney, and Spotify have chosen to open their ad inventory to the company. Long term, we believe Trade Desk has a substantial runway for future growth. The company's addressable opportunity set remains large and under-penetrated, as it has only an estimated 10% share in the more than $100 billion programmatic advertising market, a small and growing subset of the over $700 billion global advertising market.

Top net sales for the quarter

	Quarter End Market Cap or Market Cap When Sold ($B)	Net Amount Sold ($K)
Arista Networks, Inc.	81.2	902.7
Intuit Inc.	174.2	713.1
Vertiv Holdings Co	22.6	365.3
Axon Enterprise, Inc.	64.5	56.4

We sold **Arista Networks, Inc.** during the quarter as discussed above.

During the quarter, we divested our position in **Intuit Inc.** due to concerns that emerging AI-based services would commoditize its core tax preparation offerings, potentially eroding its competitive moat and long-term profitability. We had concerns that advancements in AI-driven tax solutions might challenge Intuit's market dominance by offering lower-cost or more accessible alternatives. We recognized that Intuit's shares rebounded later in the quarter, driven by broader market dynamics, strong earnings, and improving investor confidence in the company's ability to adapt and innovate within its ecosystem. While we remain vigilant about the risks posed by AI disruption, we are closely monitoring Intuit's strategic responses to these challenges for potential future opportunities.

We sold **Vertiv Holdings Co** during the quarter as discussed above.

Looking Ahead

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

† 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 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. 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. 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 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.

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.

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

Risks: In addition to general market conditions, technology companies, including internet-related and information technology companies, as well as companies propelled by new technologies, may present the risk of rapid change and product obsolescence, and their successes may be difficult to predict for the long term. Technology companies may also be adversely affected by changes in governmental policies, competitive pressures and changing demand. Non-U.S. investments may involve additional risks to those inherent in U.S. investments, including exchange-rate fluctuations, political or economic instability, the imposition of exchange controls, expropriation, limited disclosure and illiquid markets. The Fund is non-diversified, which means it may have a greater percentage of its assets in a single issuer than a diversified fund. The Fund invests in companies of all sizes, including small and medium sized companies whose securities may be thinly traded and more difficult to sell during market downturns.

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

The discussions of the companies herein are not intended as advice to any person regarding the advisability of investing in any particular security. The views expressed in this report reflect those of the respective portfolio managers only through the end of the period stated in this report. The portfolio manager's views are not intended as recommendations or investment advice to any person reading this report and are subject to change at any time based on market and other conditions and Baron has no obligation to update them.

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

Invesco QQQ™ is an exchange-traded fund based on the Nasdaq-100 Index® . The Fund will, under most circumstances, consist of all of stocks in the Index. The Index includes 100 of the largest domestic and international nonfinancial companies listed on the Nasdaq Stock Market based on market capitalization. The Fund and the Index are rebalanced quarterly and reconstituted annually.

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).

QUARTERLY LETTER | JUNE 30, 2025

Baron WealthBuilder Fund®

Retail Shares: BWBFX | Institutional Shares: BWBIX | TA Shares: BWBTX

Ron Baron
CEO
Portfolio Manager

Michael Baron
Co-President
Portfolio Manager

Dear Baron WealthBuilder Fund Shareholder,

Performance

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 performed well as equity markets rallied to new all-time highs during the second quarter, recouping all losses from the prior quarter. The Fund appreciated 10.45% (Institutional Shares) during the June quarter, performing similarly to its primary benchmark, the S&P 500 Index (the Index), and modestly lagging the globally oriented MSCI ACWI Index (the Global Index), which were up 10.94% and 11.53%, respectively. The Fund fared well versus peers in the Morningstar Aggressive Allocation Category (the Peers), which were up 7.13%*

Despite experiencing intermittent bouts of underperformance in recent years, the Fund's long-term track record remains outstanding. The Fund's annualized return of 12.91% since inception is somewhat comparable to the Index (+13.76%) and meaningfully ahead of the Global Index (+9.96%) and Peers (+7.56%). As a result, the Fund ranked in the top percentile of its Peer group since inception. While disappointed with recent relative returns, we are proud of the Fund's long-term absolute and relative performance.

Annualized performance (%) for period ended June 30, 2025

	Fund Retail Shares[1,2]	Fund Institutional Shares[1,2]	Fund TA Shares[1,2]	S&P 500 Index[1]	MSCI ACWI Index[1]
3 Months[3]	10.31	10.45	10.39	10.94	11.53
6 Months[3]	1.58	1.75	1.75	6.20	10.05
1 Year	17.99	18.29	18.30	15.16	16.17
3 Years	14.69	14.97	14.98	19.71	17.35
5 Years	11.71	12.00	11.97	16.64	13.65
Since Inception (12/29/2017)	12.64	12.91	12.91	13.76	9.96

The recent quarter should not be viewed in isolation. 2025 has been a period of surprise 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 in some cases, enacted,

As of June 30, 2025, the Morningstar Aggressive Allocation Category consisted of 94, 94, 90, and 92 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 2nd, 28th, 40th, and 1st percentiles, respectively.

*As of June 30, 2025, the annualized returns of the Morningstar Aggressive Allocation Category Average were 11.32%, 12.76%, 11.55%, and 7.56% for the 1-, 3-, 5-year, and since inception (12/29/2017) periods, respectively.

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

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 30, 2025 was 1.46%, 1.21%, and 1.21%, respectively, but the net annual expense ratio was 1.43%, 1.18%, and 1.18% (includes acquired fund fees of 1.13%, 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 paused, and/or withdrawn) to begin 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 remained concerned about tariffs hindering international trade, inflation harming discretionary spending, federal spending cuts impacting economic growth, and the latest political wrangling. The year has featured 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.

More challenging economic environments tend to favor our core growth quality, competitively advantaged businesses, which are well represented in the underlying Baron Funds. We believe these businesses will face reduced competition from new entrants in such economies, and the executive teams will position their business to thrive. The portfolio turnover of most underlying Baron Funds has remained low throughout this period. A transitional period is often volatile, and that has once again been the case. We are pleased that the Fund is weathering this period well. Since the U.S. election on 11/5/2024 when the macroeconomic and political environment shifted, the Fund gained 7.63%, slightly trailing the Index, which rose 8.28%.

Investor concerns about tariffs and government spendings cuts subsided in the most recent quarter. There has been a trickle of positive news on trade deals and the expectations that more agreements will transpire. A relatively short and decisive war with Iran had minimal economic impact and (we are hopeful) could improve long-term regional stability.

Against this improving backdrop, the Fund's performance was driven by underlying Baron Funds with meaningful exposure to larger-cap, technology-oriented businesses. This group includes Baron Fifth Avenue Growth Fund, Baron Opportunity Fund, Baron Global Advantage Fund, and Baron Durable Advantage Fund. These underlying Baron Funds generally benefited from exposure to **Meta Platforms, Inc.** and strong-performing semiconductor **(NVIDIA Corporation, Taiwan Semiconductor Manufacturing Company Limited, and Broadcom Inc.)** and/or software **(Microsoft Corporation, Cloudflare, Inc., Zscaler, Inc., and Snowflake Inc.)** stocks, which were up sharply in the period due to outstanding financial results and ongoing momentum around the "AI trade."

Multi-channel commerce platform **Shopify Inc.**, held in most of the larger cap underlying Baron Funds, also performed well due to strong financial results and a de-escalation in trade tensions. The company reported 27% year-over-year revenue growth, with gross merchandise volume up 23%, driven by continued expansion into offline retail, international markets, and business-to-business commerce. Shopify also continued to gain share in its core domestic e-commerce market. While tariffs have increased uncertainty, Shopify's diverse merchant base and resilient business model position it well to navigate ongoing challenges. The company remains focused on reinvesting in the business, continuously improving its product, and expanding its addressable market opportunity.

The high-conviction, non-diversified Baron Partners and Baron Focused Growth Funds also contributed to the Fund's gains in the period, with most of the strength coming from meaningful positions in electric vehicle manufacturer **Tesla, Inc.** and global digital music service provider **Spotify Technology S.A.** Despite ongoing macroeconomic challenges and regulatory complexities, Tesla's shares rebounded after the company completed a limited commercial rollout of its highly anticipated robotaxi business in Austin—following more than a decade of development and billions of dollars in investment. This milestone signals a potentially transformative shift in the automotive industry and opens a sizable new market beyond the company's core operations. Investor sentiment also improved after Elon Musk stepped back from government-related engagements, boosting confidence in Tesla's near-term execution. Tesla introduced a refreshed Model Y globally, featuring design and performance upgrades, and outlined plans to unveil new mass-market models starting next quarter. Meanwhile, the company is progressing toward scaling production of its humanoid robot, adding another dimension to its long-term growth story.

Spotify's share price was lifted by solid underlying results and the company's durability amid an unpredictable macroeconomic environment. 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 recent price hikes. Spotify remains a sticky subscription product with relative resilience in times of consumer uncertainty. The company 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.

Baron Health Care Fund and Baron Real Estate Income Fund were the only underlying Baron Funds to detract from performance in the period, as sector-specific headwinds weighed on performance. Health Care performance was hampered by multiple factors, including regulatory uncertainty, particularly around drug pricing and Medicare Advantage reimbursement rates, federal investigations involving sector heavyweight UnitedHealth Group Incorporated, disruption at the Food and Drug Administration and cancellations/delays of National Institutes of Health grants for academic research, and concerns about tariffs on the pharmaceutical industry. Similarly, REITs faced headwinds from persistently high interest rates and category-specific challenges from tariff-related pressures and broader macroeconomic uncertainty.

From a relative standpoint, the Fund performed in line with the Index as style-related tailwinds were offset by disappointing stock selection. Contrary to last quarter, when overexposure to the Beta factor hampered relative results, the Fund's higher exposure to Beta added value in the second quarter. Higher beta stocks experienced one of their best quarters of performance in the last 25 years. This helped overshadow headwinds from the Fund's overexposure to the Mid Capitalization (mid-cap stocks) factor given large-cap stocks outperformed in the period. While the Fund does have exposure to large-cap stocks, it has always been meaningfully overexposed to small- and mid-cap stocks when compared to the Index.

Adverse stock selection was mostly attributable to the underlying Baron Funds' lower exposure to certain mega-cap Magnificent Seven names that performed exceptionally well in the period, such as Microsoft, NVIDIA, **Alphabet Inc.**, and Meta. Lower exposure to mega-cap company Broadcom and lack of exposure to Netflix, Inc. also hurt relative results in the period.

Baron Funds Performance: Institutional share class data

Percent of Net Assets of Fund (%)			Return for Second Quarter (%)	Annualized Return 12/29/2017 to 6/30/2025 (%)	Primary Benchmark	Return for Second Quarter (%)	Annualized Return 12/29/2017 to 6/30/2025 (%)
31.3		**Small Cap**					
	4.9	Baron Discovery Fund	14.76	11.19	Russell 2000 Growth Index	11.97	6.60
	13.4	Baron Growth Fund	0.86	9.52			
	13.0	Baron Small Cap Fund	10.38	9.98			
7.1		**Small/Mid Cap**					
	7.1	Baron Focused Growth Fund	12.78	22.05	Russell 2500 Growth Index	11.31	8.13
9.9		**Mid Cap**					
	9.9	Baron Asset Fund	7.85	10.56	Russell Midcap Growth Index	18.20	12.62
8.7		**Large Cap**					
	4.1	Baron Durable Advantage Fund	15.63	15.86†	S&P 500 Index	10.94	13.58†
	4.6	Baron Fifth Avenue Growth Fund	24.94	13.90	Russell 1000 Growth Index	17.84	17.70
19.4		**All Cap**					
	4.6	Baron Opportunity Fund	23.27	21.19	Russell 3000 Growth Index	17.55	17.03
	14.8	Baron Partners Fund	12.14	23.18	Russell Midcap Growth Index	18.20	12.62
10.3		**Non-U.S./Global**					
	2.9	Baron Emerging Markets Fund	15.39	2.59	MSCI Emerging Markets Index	11.99	3.22
	4.3	Baron Global Advantage Fund	22.68	10.22†	MSCI ACWI Index	11.53	9.57†
	3.1	Baron International Growth Fund	16.91	5.29	MSCI ACWI ex USA Index	12.03	5.58
13.1		**Sector**					
	2.5	Baron FinTech Fund	9.26	12.76†	FactSet Global FinTech Index	13.82	5.77†
	2.5	Baron Health Care Fund	(5.06)	8.35†	Russell 3000 Health Care Index	(6.19)	6.85†
	5.8	Baron Real Estate Fund	3.61	9.43	MSCI USA IMI Extended Real Estate Index	6.13	8.13
	2.3	Baron Real Estate Income Fund	(0.23)	24.20†	MSCI US REIT Index	(1.46)	9.41†

* *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. Index performance is not Fund performance. Investors cannot invest directly in an index.

Fund of Funds Structure and Investment Strategy

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.

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 62.5% of the Fund (compared to only 18.8% for the Index). While our small- and mid-cap growth investments have been successful over our Firm's 42-year history, these styles are occasionally out of favor. The past few years have been one of these environments. Large-cap growth companies outperformed small-cap growth companies during the year and in many instances over the last decade. Since the Fund's inception seven and a half years ago, the one-year rolling monthly returns of the Russell 1000 Growth Index have outperformed the Russell 2000 Growth Index 80% of the time including six out of the past seven calendar years.

Rather than only examining the Fund's performance over a quarter or a year, we believe it is equally important to understand how the Fund has performed over the course of an economic cycle. 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. The table below provides a more complete look at how the Fund and various indexes performed during the pandemic and its aftermath.

Since the end of the COVID-19 Pandemic, volatility has remained high and 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 Index since the start of this cycle. However, the Fund's return has continued to meaningfully exceed the small-cap growth index.

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 6/30/2025
Baron WealthBuilder Fund (Institutional Shares)	13.84	(38.48)	179.85	(34.64)	28.11	51.88
S&P 500 Index	5.08	(33.79)	115.86	(16.91)	24.79	67.68
MSCI ACWI Index	2.74	(33.64)	102.32	(18.44)	12.50	58.00
Russell 2000 Growth Index	5.09	(38.46)	129.58	(31.34)	1.96	35.98
Russell Midcap Growth Index	6.97	(35.71)	134.05	(30.42)	12.00	68.73

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Performance characteristics since inception

	Baron WealthBuilder Fund (Institutional Shares)	S&P 500 Index	Morningstar Aggressive Allocation Category
Alpha (%) - Annualized	(2.48)	0.00	(4.52)
Beta	1.19	1.00	0.92
Sharpe Ratio	0.47	0.66	0.31
Standard Deviation (%) - Annualized	22.01	16.99	15.99
Upside Capture (%)	108.38	100.00	81.38
Downside Capture (%)	117.56	100.00	99.31

Source: FactSet SPAR.
Except for Standard Deviation and Sharpe Ratio, the performance based characteristics above were calculated relative to the S&P 500 Index.

Sector exposures

	Percent of Total Investments (%)	S&P 500 Index Weight (%)	MSCI ACWI Index Weight (%)
Financials	20.3	14.0	17.8
Consumer Discretionary	20.2	10.4	10.4
Information Technology	19.8	33.1	25.9
Industrials	14.0	8.6	10.9
Health Care	9.3	9.3	8.9
Real Estate	8.6	2.0	2.0
Communication Services	6.0	9.8	8.6
Materials	1.0	1.9	3.5
Consumer Staples	0.7	5.5	5.8
Energy	0.2	3.0	3.6
Utilities	0.0	2.4	2.6

** Represents less than 0.1%.*

Fund of fund holdings

	Percent of Total Investments (%)
Baron Partners Fund	14.8
Baron Growth Fund	13.4
Baron Small Cap Fund	13.0
Baron Asset Fund	9.9
Baron Focused Growth Fund	7.1
Baron Real Estate Fund	5.8
Baron Discovery Fund	4.9
Baron Opportunity Fund	4.6
Baron Fifth Avenue Growth Fund	4.6
Baron Global Advantage Fund	4.3
Baron Durable Advantage Fund	4.1
Baron International Growth Fund	3.1
Baron Emerging Markets Fund	2.9
Baron Health Care Fund	2.5
Baron FinTech Fund	2.5
Baron Real Estate Income Fund	2.3

Thank you for joining us as fellow shareholders in Baron WealthBuilder Fund. We continue to work hard to justify your confidence and trust in our stewardship of your hard-earned savings. We remain dedicated to giving you the information we would want if our roles were reversed. We hope this letter enables you to make an informed decision about whether this Fund remains an appropriate investment.

Ronald Baron
CEO
Portfolio Manager

Michael Baron
Co-President
Portfolio Manager

[1] The **S&P 500 Index** measures the performance of 500 widely held large cap U.S. companies. **The MSCI ACWI Index Net (USD)** is an unmanaged, free float-adjusted market capitalization weighted index reflected in U.S. dollars that measures the equity market performance of large- and mid-cap securities across developed and emerging markets. MSCI is the source and owner of the trademarks, service marks and copyrights related to the MSCI Indexes. The MSCI ACWI Index 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.

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[3] Not annualized.

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

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. 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.

Ranking information provided is calculated for the **Institutional Share Class** and is as of 6/30/2025. 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 1084, 954, and 754, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Opportunity Fund in the 9th, 32nd, 4th, 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 562 share classes. Morningstar ranked Baron Partners Fund in the 4th, 1st, 1st, and 1st percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund converted into a mutual fund 4/30/2003, and the category consisted of 696 share classes. **The Morningstar Mid-Cap Growth Category** consisted of 494, 446, and 367, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Asset Fund in the 47th, 70th, 33rd, and 10th percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 6/12/1987, and the category consisted of 56 share classes. Morningstar ranked Baron Growth Fund in the 84th, 67th, 55th, and 4th percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 12/31/1994, and the category consisted of 148 share classes. Morningstar ranked Baron Focused Growth Fund in the 7th, 3rd, 1st, and 1st percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund converted into a mutual fund 6/30/2008, and the category consisted of 385 share classes. The **Morningstar Small Growth Category** consisted of 544, 512, and 400, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Small Cap Fund in the 37th, 36th, 16th, and 8th percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 9/30/1997, and the category consisted of 224 share classes. Morningstar ranked Baron Discovery Fund in the 2nd, 37th, 7th, and 4th percentiles for the 1-, 5-, and since inception periods, respectively. The Fund launched 9/30/2013, and the category consisted of 479 share classes. The **Morningstar Real Estate Category** consisted of 217, 193, and 149, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Real Estate Fund in the 23rd, 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 192 share classes. The **Morningstar Foreign Large Growth Category** consisted of 388, 333, 219, 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 23rd, 66th, 51st, and 24th, respectively. The **Morningstar Diversified Emerging Mkts Category** consisted of 769, 629, 453, 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 6th, 72nd, 52nd, and 8th, respectively. The **Morningstar Health Category** consisted of 176, 150, and 133 share classes for the 1-, 5-, and since inception (12/31/2018) periods. Morningstar ranked Baron Health Care Fund in the 86th, 45th, and 8th, respectively. The **Morningstar Global Large-Stock Growth Category** consisted of 338, 285, 193 and 207 share classes for the 1-, 5-, 10-year and since inception (12/29/2017) periods. Morningstar ranked Baron Global Advantage Fund in the 7th, 98th, 22nd and 21st, respectively. The **Morningstar Technology Category** consisted of 271, and 239 share classes for the 1-year, and since inception (12/31/2021) periods. Morningstar ranked Baron Technology Fund in the 9th, and 8th, respectively.

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)

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Portfolio Market Capitalization

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	Market Cap ($M)	Percent of Net Assets (%)
Space Exploration Technologies Corp.	349,102^	5.1
The Charles Schwab Corporation	170,424	2.6
Spotify Technology S.A.	157,348	1.9
Amphenol Corporation	119,448	3.9
X.AI Holdings Corp.	104,525^	3.0
Welltower Inc.	100,532	0.6
Equinix, Inc.	77,812	0.9
Axon Enterprise, Inc.	64,456	1.0
Hilton Worldwide Holdings Inc.	63,309	0.2
Roper Technologies, Inc.	60,944	3.1
Quanta Services, Inc.	56,031	2.6
Vertiv Holdings Co	48,938	0.8
Veeva Systems Inc.	47,060	2.1
MSCI Inc.	44,756	0.7
Fair Isaac Corporation	44,496	3.1
Verisk Analytics, Inc.	43,574	5.5
IDEXX Laboratories, Inc.	43,134	6.4
CBRE Group, Inc.	41,771	1.7
The Trade Desk	35,379	0.9
Arch Capital Group Ltd.	34,121	4.2
CoStar Group, Inc.	33,920	4.2
Tradeweb Markets Inc.	31,980	1.1
Gartner, Inc.	31,112	7.2
Willis Towers Watson Public Limited Company	30,389	0.6
LPL Financial Holdings Inc.	29,989	0.4
Rollins, Inc.	27,344	1.7
VeriSign, Inc.	27,118	0.5
StubHub Holdings, Inc.	25,043^	1.6

Company	Market Cap ($M)	Percent of Net Assets (%)
Mettler-Toledo International Inc.	24,414	3.1
CDW Corporation	23,518	1.0
Samsara Inc.	22,648	0.5
DraftKings Inc.	21,286	0.5
SS&C Technologies Holdings, Inc.	20,424	0.8
Guidewire Software, Inc.	19,824	6.5
Duolingo, Inc.	18,637	0.2
TransUnion	17,169	1.7
FactSet Research Systems Inc.	16,973	2.1
On Holding AG	16,856	1.3
West Pharmaceutical Services, Inc.	15,720	0.7
The Cooper Companies, Inc.	14,197	1.3
Hyatt Hotels Corporation	13,331	1.7
IDEX Corporation	13,263	0.8
Morningstar, Inc.	13,263	1.2
Booz Allen Hamilton Holding Corporation	12,921	0.5
SailPoint, Inc.	12,724	0.3
Procore Technologies, Inc.	10,206	0.8
ServiceTitan, Inc.	9,715	0.7
Birkenstock Holding plc	9,237	0.4
Dayforce, Inc.	8,856	1.8
Floor & Decor Holdings, Inc.	8,174	0.4
Bio-Techne Corporation	8,066	0.8
Choice Hotels International, Inc.	5,887	1.5
Vail Resorts, Inc.	5,838	1.6
Total		**99.6%***

* *Individual weights may not sum to displayed total due to rounding.*
^ *Estimate based upon available information.*

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	Market Cap ($M)	Percent of Net Assets (%)
MSCI Inc.	44,756	12.1
IDEXX Laboratories, Inc.	43,134	3.2
Arch Capital Group Ltd.	34,121	13.1
CoStar Group, Inc.	33,920	6.4
Gartner, Inc.	31,112	8.6
Mettler-Toledo International Inc.	24,414	1.2
Guidewire Software, Inc.	19,824	3.4
The Carlyle Group Inc.	18,562	1.1
FactSet Research Systems Inc.	16,973	7.3
Morningstar, Inc.	13,263	4.9
Gaming and Leisure Properties, Inc.	12,829	3.9
Houlihan Lokey, Inc.	12,559	1.4
Kinsale Capital Group, Inc.	11,280	7.6
Primerica, Inc.	9,056	5.8
Bio-Techne Corporation	8,066	1.4
Bright Horizons Family Solutions, Inc.	7,076	0.6
Clearwater Analytics Holdings, Inc.	6,215	0.1
Choice Hotels International, Inc.	5,887	6.5
Vail Resorts, Inc.	5,838	5.4
Red Rock Resorts, Inc.	5,519	2.1
Moelis & Company	4,903	0.4
Cohen & Steers, Inc.	3,841	2.1
Iridium Communications Inc.	3,263	3.0
Neogen Corp.	1,037	0.1
FIGS, Inc.	917	1.2
Farmers Business Network, Inc.	500^	0.0**
Northvolt AB	0	0.0
Total		**103.0%***

* *Individual weights may not sum to displayed total due to rounding.*
^ *Estimate based upon available information.*
** *Rounds to less than 0.1%.*

Portfolio Market Capitalization

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	Market Cap ($M)	Percent of Net Assets (%)
TransDigm Group Incorporated	85,410	3.1
Vertiv Holdings Co	48,938	7.3
Waste Connections, Inc.	48,248	1.1
The Trade Desk	35,379	1.2
DexCom, Inc.	34,227	0.7
Gartner, Inc.	31,112	4.3
Liberty Media Corporation - Liberty Formula One	25,702	2.6
Mettler-Toledo International Inc.	24,414	0.7
DraftKings Inc.	21,286	0.9
Guidewire Software, Inc.	19,824	5.2
Houlihan Lokey, Inc.	12,559	2.3
RBC Bearings Incorporated	12,113	2.4
ICON plc	11,558	2.4
Kinsale Capital Group, Inc.	11,280	5.2
Planet Fitness, Inc.	9,181	3.1
HealthEquity, Inc.	9,059	2.0
Dayforce, Inc.	8,856	1.3
Floor & Decor Holdings, Inc.	8,174	0.9
Kratos Defense & Security Solutions, Inc.	7,731	2.9
Chart Industries, Inc.	7,524	2.6
Liberty Media Corporation - Liberty Live	7,439	1.0
Bright Horizons Family Solutions, Inc.	7,076	2.2
Karman Holdings Inc.	6,658	1.1
JBT Marel Corporation	6,250	2.1
Clearwater Analytics Holdings, Inc.	6,215	1.7
Trex Company, Inc.	5,831	0.7
Red Rock Resorts, Inc.	5,519	4.0
SiteOne Landscape Supply, Inc.	5,419	2.7
Cognex Corporation	5,325	1.5
The Baldwin Insurance Group, Inc.	5,074	3.2
JFrog Ltd.	5,027	1.1
Madison Square Garden Sports Corp.	5,019	1.2
Installed Building Products, Inc.	4,980	1.6
RadNet, Inc.	4,270	1.1
ODDITY Tech Ltd.	4,213	2.1
Intapp, Inc.	4,179	2.2
Hinge Health, Inc.	4,143	0.8
Enpro Inc.	4,031	1.0
Inspire Medical Systems, Inc.	3,827	0.6
Exponent, Inc.	3,792	0.6
nCino Inc.	3,243	1.1
The Cheesecake Factory, Inc.	3,103	2.4
Avient Corporation	2,957	0.8
First Advantage Corporation	2,885	1.6
Driven Brands Holdings Inc.	2,885	2.2
PAR Technology Corporation	2,809	1.0
GCM Grosvenor Inc.	2,245	0.6
ASGN Incorporated	2,187	1.7
Janus International Group, Inc.	1,139	0.6
Neogen Corp.	1,037	0.7
Grid Dynamics Holdings, Inc.	977	0.9
indie Semiconductor, Inc.	757	0.5
Repay Holdings Corporation	479	0.5
Holley Inc.	240	0.2
Total		**99.3%***

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

Baron Opportunity Fund is a diversified fund that invests in high growth businesses of any market capitalization selected for their capital appreciation potential.

Company	Market Cap ($M)	Percent of Net Assets (%)
NVIDIA Corporation	3,854,956	11.9
Microsoft Corporation	3,697,022	7.6
Amazon.com, Inc.	2,329,122	6.4
Meta Platforms, Inc.	1,855,800	5.2
Broadcom Inc.	1,296,512	6.2
Taiwan Semiconductor Manufacturing Company Limited	1,174,701	1.7
Tesla, Inc.	1,023,169	4.6
Eli Lilly and Company	738,788	2.3
Visa Inc.	703,754	2.1
Mastercard Incorporated	510,268	1.9
Space Exploration Technologies Corp.	349,102^	4.2
ServiceNow, Inc.	212,813	1.5
Intuitive Surgical, Inc.	194,768	1.4
Spotify Technology S.A.	157,348	5.4
Shopify Inc.	149,831	1.9
X.AI Holdings Corp.	104,525^	1.3
Snowflake Inc.	74,672	1.5
Cloudflare, Inc.	67,877	1.8
Quanta Services, Inc.	56,031	0.6
Atlassian Corporation	53,312	1.4
Zscaler, Inc.	48,879	1.6
Datadog, Inc.	46,391	1.7
The Trade Desk	35,379	2.3
Monolithic Power Systems, Inc.	35,019	1.1

Company	Market Cap ($M)	Percent of Net Assets (%)
CoStar Group, Inc.	33,920	2.3
argenx SE	33,657	1.9
Gartner, Inc.	31,112	1.6
LPL Financial Holdings Inc.	29,989	1.7
Samsara Inc.	22,648	1.5
DraftKings Inc.	21,286	1.1
CyberArk Software Ltd.	20,124	1.3
Guidewire Software, Inc.	19,824	1.4
Duolingo, Inc.	18,637	0.9
Exact Sciences Corporation	10,024	0.9
Nova Ltd.	8,058	0.9
GitLab Inc.	7,452	0.7
GDS Holdings Limited	6,126	1.2
Hinge Health, Inc.	4,143	0.9
Arcellx, Inc.	3,629	0.9
PAR Technology Corporation	2,809	0.8
indie Semiconductor, Inc.	757	1.3
Farmers Business Network, Inc.	500^	0.2
GM Cruise Holdings LLC	—"	0.0**
Total		**99.3 %***

* *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%.*

Portfolio Market Capitalization

Baron Partners Fund is a non-diversified fund that invests primarily in U.S. companies of any size with significant growth potential.

Company	Market Cap ($M)	Percent of Net Assets (%)
Tesla, Inc.	1,023,169	30.5
Space Exploration Technologies Corp.	349,102^	17.2
The Charles Schwab Corporation	170,424	5.0
Spotify Technology S.A.	157,348	2.2
X.AI Holdings Corp.	104,525^	0.8
MSCI Inc.	44,756	2.2
IDEXX Laboratories, Inc.	43,134	4.2
HEICO Corporation	39,805	0.9
Arch Capital Group Ltd.	34,121	7.1
CoStar Group, Inc.	33,920	7.1
Gartner, Inc.	31,112	3.4
StubHub Holdings, Inc.	25,043^	0.8
Guidewire Software, Inc.	19,824	2.6
FactSet Research Systems Inc.	16,973	3.6
Hyatt Hotels Corporation	13,331	5.8
Gaming and Leisure Properties, Inc.	12,829	1.0
Birkenstock Holding plc	9,237	1.1
Vail Resorts, Inc.	5,838	3.0
Red Rock Resorts, Inc.	5,519	1.3
Iridium Communications Inc.	3,263	0.2
Northvolt AB	0	0.0
Total		**100.0%***

* *Individual weights may not sum to displayed total due to rounding.*
^ *Estimate based upon available information.*

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	Market Cap ($M)	Percent of Net Assets (%)
NVIDIA Corporation	3,854,956	11.1
Amazon.com, Inc.	2,329,122	8.5
Alphabet Inc.	2,145,380	3.0
Meta Platforms, Inc.	1,855,800	8.9
Taiwan Semiconductor Manufacturing Company Limited	1,174,701	3.9
Tesla, Inc.	1,023,169	3.2
Eli Lilly and Company	738,788	2.4
Space Exploration Technologies Corp.	349,102^	1.3
ASML Holding N.V.	314,348	2.4
ServiceNow, Inc.	212,813	3.1
Intuitive Surgical, Inc.	194,768	3.2
Shopify Inc.	149,831	7.3
MercadoLibre, Inc.	132,504	5.0
CrowdStrike Holdings, Inc.	126,945	1.9
KKR & Co. Inc.	118,482	2.5
X.AI Holdings Corp.	104,525^	0.8
Snowflake Inc.	74,672	3.2
Cloudflare, Inc.	67,877	3.6
Adyen N.V.	57,666	2.1
Coupang, Inc.	54,396	2.6
Atlassian Corporation	53,312	1.8
Veeva Systems Inc.	47,060	1.2
Datadog, Inc.	46,391	3.1
Block, Inc.	41,778	2.0
The Trade Desk	35,379	2.2
argenx SE	33,657	2.4
Samsara Inc.	22,648	3.3
Illumina, Inc.	15,103	1.5
Mobileye Global Inc.	14,600	1.0
GitLab Inc.	7,452	0.8
Grail, Inc.	1,850	0.0**
GM Cruise Holdings LLC	—"	0.0**
Total		**99.4%***

* *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%.*

Portfolio Market Capitalization

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	Market Cap ($M)	Percent of Net Assets (%)
Tesla, Inc.	1,023,169	7.6
Space Exploration Technologies Corp.	349,102^	9.4
Spotify Technology S.A.	157,348	7.9
Shopify Inc.	149,831	3.0
X.AI Holdings Corp.	104,525^	2.4
Interactive Brokers Group, Inc.	94,323	4.7
Airbnb, Inc.	83,089	0.7
MSCI Inc.	44,756	4.1
Verisk Analytics, Inc.	43,574	2.6
IDEXX Laboratories, Inc.	43,134	5.0
Live Nation Entertainment, Inc.	35,413	1.6
Arch Capital Group Ltd.	34,121	3.2
CoStar Group, Inc.	33,920	4.2
ANSYS, Inc.	30,878	1.4
Las Vegas Sands Corporation	30,745	1.5
Samsara Inc.	22,648	1.1

Company	Market Cap ($M)	Percent of Net Assets (%)
Guidewire Software, Inc.	19,824	5.1
FactSet Research Systems Inc.	16,973	2.2
On Holding AG	16,856	5.0
Hyatt Hotels Corporation	13,331	4.3
Jefferies Financial Group Inc.	11,280	1.0
Toll Brothers, Inc.	11,205	1.2
Neuralink Corp.	9,651	0.2
Birkenstock Holding plc	9,237	3.6
Choice Hotels International, Inc.	5,887	3.1
Vail Resorts, Inc.	5,838	3.9
Red Rock Resorts, Inc.	5,519	4.1
Iridium Communications Inc.	3,263	1.0
Douglas Emmett, Inc.	2,518	0.9
FIGS, Inc.	917	1.9
Total		**97.8%***

* *Individual weights may not sum to displayed total due to rounding.*
^ *Estimate based upon available information.*

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	Market Cap ($M)	Percent of Net Assets (%)
Taiwan Semiconductor Manufacturing Company Limited	1,174,701	3.4
Tencent Holdings Limited	591,869	1.2
Novo Nordisk A/S	308,174	0.4
Alibaba Group Holding Limited	270,626	0.7
LVMH Moet Hennessy Louis Vuitton SE	261,933	0.4
Nestle S.A.	255,980	0.8
Reliance Industries Limited	236,794	1.0
Linde plc	220,687	2.5
AstraZeneca PLC	216,720	1.6
Mitsubishi UFJ Financial Group, Inc.	165,569	1.4
Airbus SE	165,432	1.1
Industria de Diseno Textil, S.A.	162,196	1.0
Contemporary Amperex Technology Co., Limited	161,534	0.9
SK hynix Inc.	158,050	1.0
BYD Company Limited	141,390	0.6
Bharti Airtel Limited	140,613	1.5
TotalEnergies SE	139,316	0.8
Prosus N.V.	133,097	0.7
Compagnie Financiere Richemont SA	111,382	0.4
BNP Paribas S.A.	101,661	2.6
Sumitomo Mitsui Financial Group, Inc.	97,027	1.6
Keyence Corporation	96,790	1.1
Recruit Holdings Co., Ltd.	90,849	0.5
Tokyo Electron Limited	90,676	1.0
BAE Systems plc	78,043	1.2
Constellation Software Inc.	77,704	2.7
Agnico Eagle Mines Limited	59,968	0.7
Universal Music Group N.V.	59,370	1.8
Deutsche Bank AG	57,045	1.8
Coupang, Inc.	54,396	0.8
Experian plc	47,324	2.0
Sberbank of Russia PJSC	36,563†	0.0**
Arch Capital Group Ltd.	34,121	2.0
argenx SE ADR	33,657	2.2
Agilent Technologies, Inc.	33,523	1.4
Tencent Music Entertainment Group	30,188	0.6
Eternal Limited	29,724	0.5
DSM-Firmenich AG	28,247	1.2
HD Hyundai Heavy Industries Co., Ltd.	27,890	1.5
Ajinomoto Co., Inc.	27,326	2.3
InterGlobe Aviation Limited 144A	26,935	1.0
LY Corporation	26,765	0.9
Trent Limited	25,772	0.7
Epiroc AB	25,345	1.7
Pernod Ricard SA	25,140	0.5
Jio Financial Services Limited	24,206	0.4

Company	Market Cap ($M)	Percent of Net Assets (%)
WiseTech Global Limited	24,166	0.9
CyberArk Software Ltd.	20,124	1.5
HD Korea Shipbuilding & Offshore Engineering Co., Ltd.	19,272	2.6
Credicorp Ltd.	17,755	1.5
On Holding Ag	16,856	0.7
SYMRISE AG	14,782	1.4
Max Healthcare Institute Limited	14,464	0.8
Dino Polska S.A. 144A	14,307	0.7
Godrej Consumer Products Limited	14,057	0.6
Bank of Ireland Group plc	13,746	1.8
Eurofins Scientific SE	12,969	1.4
Indus Towers Limited	12,954	0.4
Full Truck Alliance Co. Ltd. - ADR	12,352	1.4
XP Inc.	10,856	0.6
Japan Exchange Group, Inc.	10,790	0.4
Lundin Mining Corporation	9,000	1.0
Wix.com Ltd.	8,821	1.0
Piraeus Financial Holdings S.A.	8,663	0.8
InPost S.A.	8,305	1.5
Godrej Properties Limited	8,229	0.4
Localiza Rent a Car S.A.	8,154	0.4
China Mengniu Dairy Co. Ltd.	8,024	0.5
Stevanato Group S.p.A.	7,398	0.9
Kingdee International Software Group Company Limited	6,981	0.9
eMemory Technology Inc.	6,033	0.4
Nippon Life India Asset Management Limited 144A	5,924	0.6
Lynas Rare Earths Limited	5,239	1.3
Kaynes Technology India Limited	4,759	0.8
ODDITY Tech Ltd.	4,213	2.1
Zhejiang Shuanghuan Driveline Co., Ltd.	3,962	0.5
Zai Lab Limited -Adr	3,884	1.0
JM Financial Limited	1,776	0.5
Afya Limited	1,614	0.5
Park Systems Corporation	1,459	0.9
eDreams ODIGEO SA	1,165	2.6
ISC Co., Ltd.	936	0.4
SMS CO., LTD.	893	0.5
AMG Critical Materials N.V.	835	1.2
Waga Energy SA	639	2.1
Centum Electronics Limited	411	0.6
Total		**96.1%***

* *Individual weights may not sum to displayed total due to rounding.*
** *Rounds to less than 0.1%.*
† *Source: FactSet PA.*

Portfolio Market Capitalization

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	Market Cap ($M)	Percent of Net Assets (%)
Blackstone Inc.	183,651	3.1
Lowe's Companies, Inc.	124,344	2.3
American Tower Corporation	103,468	4.3
Brookfield Corporation	102,106	5.7
Welltower Inc.	100,532	5.5
Prologis, Inc.	99,814	2.7
Brookfield Asset Management Ltd.	90,724	2.5
Airbnb, Inc.	83,089	2.2
Equinix, Inc.	77,812	3.9
Hilton Worldwide Holdings Inc.	63,309	2.7
CRH public limited company	61,835	3.2
Digital Realty Trust, Inc.	59,861	1.9
Simon Property Group, Inc.	52,476	1.1
Goodman Group	45,933	0.4
CBRE Group, Inc.	41,771	5.5
D.R. Horton, Inc.	39,602	1.2
Vulcan Materials Company	34,455	2.4
CoStar Group, Inc.	33,920	3.8
Las Vegas Sands Corporation	30,745	0.6
Equity Residential	25,642	1.3
American Homes 4 Rent	13,352	1.2
Hyatt Hotels Corporation	13,331	2.9
Builders FirstSource, Inc.	12,896	0.3
Jones Lang LaSalle Incorporated	12,143	6.1
Toll Brothers, Inc.	11,205	4.3
BXP, Inc.	10,682	1.4
Wynn Resorts, Limited	9,794	3.3
Advanced Drainage Systems, Inc.	8,918	1.6
Vornado Realty Trust	7,340	2.5
Taylor Morrison Home Corporation	6,165	2.6
GDS Holdings Limited	6,126	2.3
Louisiana-Pacific Corporation	5,984	2.8
Trex Company, Inc.	5,831	0.9
Red Rock Resorts, Inc.	5,519	1.3
SiteOne Landscape Supply, Inc.	5,419	3.2
Installed Building Products, Inc.	4,980	0.9
Millrose Properties, Inc.	4,733	0.2
Independence Realty Trust, Inc.	4,136	0.6
The Macerich Company	4,088	1.5
Blackstone Mortgage Trust, Inc.	3,303	1.1
Total		**97.6%***

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

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	Market Cap ($M)	Percent of Net Assets (%)
Taiwan Semiconductor Manufacturing Company Limited	1,174,701	9.3
Tencent Holdings Limited	591,869	4.4
Alibaba Group Holding Limited	270,626	2.4
Samsung Electronics Co., Ltd.	267,121	1.2
Reliance Industries Limited	236,794	1.5
HDFC Bank Limited	178,957	0.7
Contemporary Amperex Technology Co., Limited	161,534	2.1
SK hynix Inc.	158,050	1.6
BYD Company Limited	141,390	1.3
Bharti Airtel Limited	140,613	2.7
MercadoLibre, Inc.	132,504	0.9
Meituan	97,525	0.4
Midea Group Co., Ltd.	76,859	0.4
Bajaj Finance Limited	67,860	2.3
Coupang, Inc.	54,396	1.6
Samsung Biologics Co., Ltd.	52,526	0.7
Naspers Limited	51,526	0.6
Kotak Mahindra Bank Limited	50,159	0.8
Grupo Mexico, S.A.B. de C.V.	47,155	1.0
Mahindra & Mahindra Limited	46,157	0.6
Delta Electronics, Inc.	36,724	1.5
Sberbank of Russia PJSC	36,563†	0.0**
Banco BTG Pactual S.A.	35,825	0.8
S.F. Holding Co., Ltd.	33,801	1.3
Doosan Enerbility Co., Ltd.	32,607	1.1
Power Grid Corporation of India Limited	32,524	1.0
Tencent Music Entertainment Group	30,188	0.9
Eternal Limited	29,724	0.7
Li Auto Inc.	29,020	0.2
HD Hyundai Heavy Industries Co., Ltd.	27,890	1.9
InterGlobe Aviation Limited	26,935	1.6
Trent Limited	25,772	1.4
NARI Technology Co. Ltd.	25,120	0.8
Jio Financial Services Limited	24,206	0.7
SBI Life Insurance Company Limited	21,486	1.2
KE Holdings Inc.	21,314	0.7
Gold Fields Limited	21,185	0.4
Fuyao Glass Industry Group Co., Ltd.	20,268	0.5
HD Korea Shipbuilding & Offshore Engineering Co., Ltd.	19,272	3.7
Credicorp Ltd.	17,755	1.8
XPeng Inc.	17,144	0.4
Zhejiang Sanhua Intelligent Controls Co., Ltd.	16,596	1.0
Cholamandalam Investment and Finance Company Limited	15,967	0.6
Max Healthcare Institute Limited	14,464	1.3
BDO Unibank, Inc.	14,450	1.1
Dino Polska S.A.	14,307	0.7
Godrej Consumer Products Limited	14,057	0.9
Jiangsu Hengli Hydraulic Co., Ltd.	13,473	0.8

Company	Market Cap ($M)	Percent of Net Assets (%)
WuXi Biologics (Cayman) Inc.	13,295	0.4
Indus Towers Limited	12,954	1.3
Tata Consumer Products Limited	12,679	0.5
Full Truck Alliance Co. Ltd.	12,352	2.0
Suzano S.A.	11,915	0.3
Swiggy Limited	11,642	1.7
SRF Limited	11,206	0.5
Cummins India Limited	10,988	0.7
XP Inc.	10,856	0.8
Shenzhou International Group Holdings Ltd.	10,685	0.5
E Ink Holdings Inc.	8,687	0.7
Piraeus Financial Holdings S.A.	8,663	0.8
Talabat Holding plc	8,497	0.5
Hanwha Systems Co., Ltd.	8,357	1.0
InPost S.A.	8,305	1.4
Godrej Properties Limited	8,229	0.6
Localiza Rent a Car S.A.	8,154	1.0
China Mengniu Dairy Co. Ltd.	8,024	1.1
HYUNDAI Glovis Co., Ltd.	7,652	0.6
Kingdee International Software Group Company Limited	6,981	1.9
Korea Aerospace Industries, Ltd.	6,674	1.2
Chroma ATE Inc.	6,443	0.6
ASPEED Technology Inc.	6,143	0.6
eMemory Technology Inc.	6,033	0.6
Nippon Life India Asset Management Limited	5,924	1.0
Tata Communications Limited	5,618	0.7
Kaynes Technology India Limited	4,759	1.2
Pony AI Inc.	4,690	0.5
Zhejiang Sanhua Intelligent Controls Co., Ltd.	3,962	1.1
Zai Lab Limited	3,884	1.2
Pine Labs Limited	3,787^	1.1
Nuvama Wealth Management Limited	3,456	0.7
Inter & Co, Inc.	3,253	0.2
GPS Participacoes e Empreendimentos S.A.	1,971	0.8
JM Financial Limited	1,776	1.2
HPSP Co., Ltd.	1,729	0.3
Afya Limited	1,614	0.5
Park Systems Corporation	1,459	0.7
ISC Co., Ltd.	936	0.7
Sigma Lithium Corporation	501	0.0
Codere Online Luxembourg, S.A.	388	0.5
DCW Limited	289	0.2
Think & Learn Private Limited	23^	0.0**
Total		**99.5%***

* *Individual weights may not sum to displayed total due to rounding.*
^ *Estimates based upon available information.*
** *Rounds to less than 0.1%.*
† *Source: FactSet PA.*

Portfolio Market Capitalization

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	Market Cap ($M)	Percent of Net Assets (%)
NVIDIA Corporation	3,854,956	9.0
Taiwan Semiconductor Manufacturing Company Limited	1,174,701	2.5
Tesla, Inc.	1,023,169	1.4
Space Exploration Technologies Corp.	349,102^	9.7
ASML Holding N.V.	314,348	2.9
Shopify Inc.	149,831	8.6
PDD Holdings Inc.	148,580	0.7
MercadoLibre, Inc.	132,504	9.6
CrowdStrike Holdings, Inc.	126,945	1.4
Snowflake Inc.	74,672	3.4
Cloudflare, Inc.	67,877	4.1
Bajaj Finance Limited	67,860	3.6
Nu Holdings Ltd.	66,112	2.1
Adyen N.V.	57,666	2.6
Coupang, Inc.	54,396	5.3
Zscaler, Inc.	48,879	3.2
Datadog, Inc.	46,391	3.3
Block, Inc.	41,778	1.9
argenx SE	33,657	3.3
Eternal Limited	29,724	3.3
Illumina, Inc.	15,103	1.4
SailPoint, Inc.	12,724	0.3
ServiceTitan, Inc.	9,715	0.5
Wix.com Ltd.	8,821	1.6
InPost S.A.	8,305	1.8
Loar Holdings Inc.	8,062	1.4
GDS Holdings Limited	6,126	1.8
BILL Holdings, Inc.	4,766	0.3
Globant S.A.	4,001	0.9
Viking Therapeutics, Inc.	2,976	0.3
Grail, Inc.	1,850	0.0
Afya Limited	1,614	1.2
Taboola.com Ltd.	1,171	0.0
Fiverr International Ltd.	1,053	1.3
Endava plc	904	1.2
indie Semiconductor, Inc.	757	0.8
Farmers Business Network, Inc.	500^	0.1
Codere Online Luxembourg, S.A.	388	1.7
Think & Learn Private Limited	23^	0.0**
GM Cruise Holdings LLC	—"	0.1
Total		**98.7%***

* *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 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	Market Cap ($M)	Percent of Net Assets (%)
Liberty Media Corporation - Liberty Formula One	25,702	1.0
DraftKings Inc.	21,286	3.2
CyberArk Software Ltd.	20,124	2.9
Guidewire Software, Inc.	19,824	3.0
On Holding AG	16,856	1.0
Dynatrace, Inc.	16,545	2.3
Texas Roadhouse, Inc.	12,433	2.1
RBC Bearings Incorporated	12,113	1.2
Kinsale Capital Group, Inc.	11,280	2.0
Tempus AI, Inc.	11,000	0.5
Procore Technologies, Inc.	10,206	1.4
Exact Sciences Corporation	10,024	3.3
Wynn Resorts, Limited	9,794	1.8
ServiceTitan, Inc.	9,715	2.1
Wingstop Inc.	9,396	2.1
Masimo Corporation	9,121	2.5
Brunello Cucinelli S.p.A.	8,262	1.0
Floor & Decor Holdings, Inc.	8,174	1.2
Loar Holdings Inc.	8,062	1.5
Nova Ltd.	8,058	0.6
Kratos Defense & Security Solutions, Inc.	7,731	3.6
Chart Industries, Inc.	7,524	1.8
GitLab Inc.	7,452	1.7
Liberty Media Corporation - Liberty Live	7,439	3.1
Stevanato Group S.p.A.	7,398	1.7
Repligen Corporation	6,988	1.4
Karman Holdings Inc.	6,658	2.5
Clearwater Analytics Holdings, Inc.	6,215	1.5
SentinelOne, Inc.	6,078	1.8
Trex Company, Inc.	5,831	1.0
Varonis Systems, Inc.	5,680	1.3
Red Rock Resorts, Inc.	5,519	0.9
SiTime Corporation	5,483	1.2
SiteOne Landscape Supply, Inc.	5,419	2.0
Advanced Energy Industries, Inc.	4,989	2.0
Novanta Inc.	4,638	1.6
Integer Holdings Corporation	4,291	1.7
Intapp, Inc.	4,179	1.6
Independence Realty Trust, Inc.	4,136	1.0
Inspire Medical Systems, Inc.	3,827	1.6
Arcellx, Inc.	3,629	0.6
Mercury Systems, Inc.	3,218	2.7
Alkami Technology Inc.	3,105	1.9
PAR Technology Corporation	2,809	2.7
Enerpac Tool Group Corp.	2,188	0.8
Veracyte, Inc.	2,117	1.0
TWFG, Inc.	1,963	1.5
Establishment Labs Holdings Inc.	1,235	1.6
CareDx, Inc.	1,088	2.0
Ategrity Specialty Insurance Company Holdings	1,013	0.6
indie Semiconductor, Inc.	757	1.7
Montrose Environmental Group, Inc.	749	2.5
Total		**91.1%***

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

Portfolio Market Capitalization

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	Market Cap ($M)	Percent of Net Assets (%)
NVIDIA Corporation	3,854,956	7.1
Microsoft Corporation	3,697,022	5.4
Amazon.com, Inc.	2,329,122	7.0
Alphabet Inc.	2,145,380	4.0
Meta Platforms, Inc.	1,855,800	8.2
Broadcom Inc.	1,296,512	5.6
Taiwan Semiconductor Manufacturing Company Limited	1,174,701	5.1
Visa Inc.	703,754	4.3
Mastercard Incorporated	510,268	2.7
Costco Wholesale Corporation	439,016	1.2
Intuit Inc.	219,707	3.1
Blackstone Inc.	183,651	2.8
S&P Global Inc.	165,516	4.0
Thermo Fisher Scientific Inc.	153,059	1.9
Danaher Corporation	141,373	1.9
Amphenol Corporation	119,448	1.1
Brookfield Corporation	102,106	3.1
Welltower Inc.	100,532	1.8
CME Group, Inc.	99,322	2.2
Moody's Corporation	90,236	3.1
TransDigm Group Incorporated	85,410	2.3
Apollo Global Management, Inc.	81,078	3.1
MSCI Inc.	44,756	1.8
HEICO Corporation	39,805	3.2
Monolithic Power Systems, Inc.	35,019	3.5
Arch Capital Group Ltd.	34,121	1.6
CoStar Group, Inc.	33,920	2.0
LPL Financial Holdings Inc.	29,989	3.5
Mettler-Toledo International Inc.	24,414	1.0
Texas Roadhouse, Inc.	12,433	1.7
Total		**99.3%***

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

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	Market Cap ($M)	Percent of Net Assets (%)
Blackstone Inc.	183,651	1.3
American Tower Corporation	103,468	9.0
Brookfield Corporation	102,106	3.8
Welltower Inc.	100,532	9.2
Prologis, Inc.	99,814	6.7
Brookfield Asset Management Ltd.	90,724	1.2
Equinix, Inc.	77,812	6.9
CRH public limited company	61,835	1.8
Digital Realty Trust, Inc.	59,861	3.1
Simon Property Group, Inc.	52,476	4.0
Goodman Group	45,933	1.1
VICI Properties Inc.	34,449	2.2
Las Vegas Sands Corporation	30,745	0.3
Iron Mountain Incorporated	30,263	3.0
Ventas, Inc.	28,500	2.4
Equity Residential	25,642	2.9
SBA Communications Corp.	25,234	0.9
Invitation Homes Inc.	20,105	2.2
UDR, Inc.	13,527	1.0
American Homes 4 Rent	13,352	1.5
Toll Brothers, Inc.	11,205	1.5
BXP, Inc.	10,682	2.1
Host Hotels & Resorts, Inc.	10,656	2.5
Wynn Resorts, Limited	9,794	2.2
EastGroup Properties, Inc.	8,777	3.9
Agree Realty Corporation	8,038	1.3
Vornado Realty Trust	7,340	3.1
GDS Holdings Limited	6,126	1.9
American Healthcare REIT, Inc.	5,944	2.0
Vail Resorts, Inc.	5,838	1.5
Terreno Realty Corporation	5,793	0.9
Independence Realty Trust, Inc.	4,136	1.7
The Macerich Company	4,088	1.8
Blackstone Mortgage Trust, Inc.	3,303	1.9
SmartStop Self Storage REIT, Inc.	2,009	3.6
Elme Communities	1,402	1.0
Total		**97.3%***

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

Portfolio Market Capitalization

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	Market Cap ($M)	Percent of Net Assets (%)
Eli Lilly and Company	738,788	13.1
AstraZeneca PLC	216,720	2.5
Intuitive Surgical, Inc.	194,768	4.6
Boston Scientific Corporation	158,907	6.1
Thermo Fisher Scientific Inc.	153,059	1.9
Stryker Corporation	151,196	5.0
Danaher Corporation	141,373	3.5
Gilead Sciences, Inc.	137,914	1.5
Vertex Pharmaceuticals Incorporated	114,326	2.8
McKesson Corporation	91,674	3.4
Zoetis Inc.	69,430	0.6
Edwards Lifesciences Corporation	45,878	1.4
IDEXX Laboratories, Inc.	43,134	2.3
DexCom, Inc.	34,227	0.5
argenx SE	33,657	8.6
BioNTech SE	25,311	0.3
Mettler-Toledo International Inc.	24,414	2.6
Natera, Inc.	23,068	0.9
Insulet Corporation	22,110	1.3
Waters Corporation	20,771	3.5

Company	Market Cap ($M)	Percent of Net Assets (%)
Teva Pharmaceutical Industries Limited	19,223	1.2
Insmed Incorporated	19,093	2.6
West Pharmaceutical Services, Inc.	15,720	0.6
The Cooper Companies, Inc.	14,197	2.7
Encompass Health Corporation	12,382	1.5
Doximity, Inc.	11,521	0.7
Exact Sciences Corporation	10,024	1.7
Penumbra, Inc.	9,938	3.2
Masimo Corporation	9,121	3.6
HealthEquity, Inc.	9,059	2.2
RadNet, Inc.	4,270	2.4
Inspire Medical Systems, Inc.	3,827	0.8
Arcellx, Inc.	3,629	2.8
Xenon Pharmaceuticals Inc.	2,402	1.2
ARS Pharmaceuticals, Inc.	1,714	0.5
Total		**93.8%***

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

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	Market Cap ($M)	Percent of Net Assets (%)
Visa Inc.	703,754	4.5
Mastercard Incorporated	510,268	4.3
Intuit Inc.	219,707	4.2
Accenture plc	187,322	0.2
The Charles Schwab Corporation	170,424	2.3
S&P Global Inc.	165,516	4.4
BlackRock Inc.	162,556	1.5
The Progressive Corporation	156,440	2.9
Shopify Inc.	149,831	1.9
MercadoLibre, Inc.	132,504	4.6
KKR & Co. Inc.	118,482	3.2
CME Group, Inc.	99,322	2.6
Fiserv, Inc.	95,590	1.2
Interactive Brokers Group, Inc.	94,323	3.3
Moody's Corporation	90,236	2.7
Robinhood Markets, Inc.	82,626	2.7
Apollo Global Management, Inc.	81,078	3.0
Nu Holdings Ltd.	66,112	2.4
MSCI Inc.	44,756	2.5
Fair Isaac Corporation	44,496	3.2
Verisk Analytics, Inc.	43,574	2.6
Block, Inc.	41,778	1.2
Arch Capital Group Ltd.	34,121	1.9
CoStar Group, Inc.	33,920	1.0

Company	Market Cap ($M)	Percent of Net Assets (%)
Equifax Inc.	32,214	1.1
Tradeweb Markets Inc.	31,980	3.7
LPL Financial Holdings Inc.	29,989	4.3
Guidewire Software, Inc.	19,824	4.2
TransUnion	17,169	1.2
FactSet Research Systems Inc.	16,973	1.8
Wise plc	14,632	2.4
Morningstar, Inc.	13,263	2.2
Jack Henry & Associates, Inc.	13,119	1.4
Houlihan Lokey, Inc.	12,559	2.4
Kinsale Capital Group, Inc.	11,280	1.0
ServiceTitan, Inc.	9,715	1.1
Primerica, Inc.	9,056	1.0
Clearwater Analytics Holdings, Inc.	6,215	0.7
The Baldwin Insurance Group, Inc.	5,074	0.6
BILL Holdings, Inc.	4,766	0.2
Intapp, Inc.	4,179	1.1
Globant S.A.	4,001	0.1
Alkami Technology Inc.	3,105	1.2
TWFG, Inc.	1,963	0.7
Ategrity Specialty Insurance Company Holdings	1,013	0.7
CI&T, Inc.	804	0.1
Total		**97.7%***

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

Portfolio Market Capitalization

Baron India Fund is a diversified fund that, under normal circumstances, invests at least 80% of its net assets in equities of companies located in India.

Company	Market Cap ($M)	Percent of Net Assets (%)
Reliance Industries Limited	236,794	4.7
HDFC Bank Limited	178,957	4.7
Tata Consultancy Services Limited	146,057	3.1
Bharti Airtel Limited	140,613	8.5
ICICI Bank Limited	120,284	6.4
Bajaj Finance Limited	67,860	4.7
Kotak Mahindra Bank Limited	50,159	2.6
Mahindra & Mahindra Limited	46,157	2.8
Bajaj Finserv Limited	38,306	2.5
Titan Company Limited	38,201	0.7
Bharat Electronics Limited	35,927	2.5
Power Grid Corporation of India Limited	32,524	2.5
Eternal Limited	29,724	2.5
InterGlobe Aviation Limited	26,935	4.8
Trent Limited	25,772	3.4
Jio Financial Services Limited	24,206	0.4
SBI Life Insurance Company Limited	21,486	2.7
Cholamandalam Investment and Finance Company Limited	15,967	3.3
Max Healthcare Institute Limited	14,464	7.3
Godrej Consumer Products Limited	14,057	2.0
Siemens Limited	13,502	0.3
Indus Towers Limited	12,954	1.1
Tata Consumer Products Limited	12,679	2.1
Siemens Energy India Ltd	12,358	0.2

Company	Market Cap ($M)	Percent of Net Assets (%)
REC Limited	12,356	0.4
SRF Limited	11,206	0.5
Cummins India Limited	10,988	0.9
Dixon Technologies (India) Limited	10,566	0.7
Godrej Properties Limited	8,229	0.9
Coforge Limited	7,505	1.0
Tata Communications Limited	5,618	1.0
360 ONE WAM Limited	5,490	1.0
Kaynes Technology India Limited	4,759	1.2
Thermax Limited	4,751	0.3
Aster DM Healthcare Limited	3,601	2.9
Nuvama Wealth Management Limited	3,456	0.9
Kirloskar Oil Engines Limited	1,441	0.6
Tips Music Limited	1,003	0.6
GMR Power and Urban Infra Limited	957	0.8
HealthCare Global Enterprises Limited	895	1.0
Shaily Engineering Plastics Limited	891	1.0
Centum Electronics Limited	411	2.2
Precision Wires India Limited	392	2.2
DCW Limited	289	0.5
Total		**96.7%***

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

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	Market Cap ($M)	Percent of Net Assets (%)
NVIDIA Corporation	3,854,956	12.1
Microsoft Corporation	3,697,022	4.5
Apple Inc.	3,064,383	2.5
Amazon.com, Inc.	2,329,122	7.9
Broadcom Inc.	1,296,512	8.4
Taiwan Semiconductor Manufacturing Company Limited	1,174,701	4.8
Tesla, Inc.	1,023,169	2.9
ServiceNow, Inc.	212,813	1.0
Spotify Technology S.A.	157,348	5.7
Shopify Inc.	149,831	1.2
Lam Research Corporation	124,509	1.4
Snowflake Inc.	74,672	1.4
Cloudflare, Inc.	67,877	1.6
Axon Enterprise, Inc.	64,456	1.0
Quanta Services, Inc.	56,031	1.0
Atlassian Corporation	53,312	1.2
Zscaler, Inc.	48,879	2.3
Datadog, Inc.	46,391	2.2
The Trade Desk	35,379	2.6
Monolithic Power Systems, Inc.	35,019	0.9
CoStar Group, Inc.	33,920	1.2
Gartner, Inc.	31,112	0.8
LPL Financial Holdings Inc.	29,989	1.7
Eternal Limited	29,724	1.8
Reddit, Inc.	27,746	1.5
Samsara Inc.	22,648	1.7
DraftKings Inc.	21,286	1.0
CyberArk Software Ltd.	20,124	1.8
Guidewire Software, Inc.	19,824	0.8
Duolingo, Inc.	18,637	2.1
Coherent Corp.	13,867	0.8
ServiceTitan, Inc.	9,715	0.5
Nova Ltd.	8,058	1.2
GitLab Inc.	7,452	0.5
GDS Holdings Limited	6,126	1.0
eMemory Technology Inc.	6,033	0.9
ODDITY Tech Ltd.	4,213	1.2
Hinge Health, Inc.	4,143	1.4
PAR Technology Corporation	2,809	2.2
HPSP Co., Ltd.	1,729	1.0
MNTN, Inc.	1,691	1.5
Park Systems Corporation	1,459	1.0
eDreams ODIGEO SA	1,165	0.8
indie Semiconductor, Inc.	757	1.4
Total		**96.3%***

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

Baron Asset Fund

Shares		Cost	Value
Common Stocks (89.95%)			
Communication Services (2.74%)			
	Advertising (0.87%)		
500,000	The Trade Desk, Inc., Cl A [1]	$ 11,173,716	$ 35,995,000
	Movies & Entertainment (1.87%)		
100,000	Spotify Technology SA [1,2]	24,563,323	76,734,000
Total Communication Services		35,737,039	112,729,000
Consumer Discretionary (7.79%)			
	Casinos & Gaming (0.50%)		
477,000	DraftKings, Inc., Cl A [1]	18,168,701	20,458,530
	Education Services (0.23%)		
23,000	Duolingo, Inc. [1]	6,012,308	9,430,460
	Footwear (1.73%)		
351,069	Birkenstock Holding PLC [1,2]	16,149,174	17,265,574
1,037,000	On Holding AG, Cl A [1,2]	30,424,601	53,975,850
		46,573,775	71,241,424
	Home Improvement Retail (0.39%)		
211,000	Floor & Decor Holdings, Inc., Cl A [1]	18,452,772	16,027,560
	Hotels, Resorts & Cruise Lines (3.38%)		
478,442	Choice Hotels International, Inc.	2,051,052	60,704,721
31,000	Hilton Worldwide Holdings, Inc.	6,489,341	8,256,540
500,233	Hyatt Hotels Corp., Cl A	13,700,166	69,857,538
		22,240,559	138,818,799
	Leisure Facilities (1.56%)		
406,538	Vail Resorts, Inc.	7,840,124	63,879,316
Total Consumer Discretionary		119,288,239	319,856,089
Financials (12.93%)			
	Financial Exchanges & Data (5.11%)		
188,305	FactSet Research Systems, Inc.	9,990,400	84,225,060
156,000	Morningstar, Inc.	32,512,227	48,973,080
53,000	MSCI, Inc.	19,223,355	30,567,220
316,189	Tradeweb Markets, Inc., Cl A	12,240,920	46,290,070
		73,966,902	210,055,430
	Insurance Brokers (0.63%)		
84,421	Willis Towers Watson PLC [2]	10,305,610	25,875,037
	Investment Banking & Brokerage (3.01%)		
1,168,936	The Charles Schwab Corp.	1,030,248	106,653,721
45,000	LPL Financial Holdings, Inc.	17,206,669	16,873,650
		18,236,917	123,527,371
	Property & Casualty Insurance (4.18%)		
1,886,444	Arch Capital Group Ltd. [1,2]	6,789,034	171,760,726
Total Financials		109,298,463	531,218,564
Health Care (14.32%)			
	Health Care Equipment (6.37%)		
487,630	IDEXX Laboratories, Inc. [1]	8,712,036	261,535,474

Shares		Cost	Value
Common Stocks (continued)			
Health Care (continued)			
	Health Care Supplies (1.27%)		
733,672	The Cooper Companies, Inc. [1]	$ 27,308,279	$ 52,208,100
	Health Care Technology (2.06%)		
294,386	Veeva Systems, Inc., Cl A [1]	16,281,783	84,777,280
	Life Sciences Tools & Services (4.62%)		
671,944	Bio-Techne Corporation	14,726,185	34,571,519
108,117	Mettler-Toledo International, Inc. [1]	6,194,061	127,007,202
129,404	West Pharmaceutical Services, Inc.	5,506,342	28,313,595
		26,426,588	189,892,316
Total Health Care		78,728,686	588,413,170
Industrials (17.19%)			
	Aerospace & Defense (1.01%)		
50,000	Axon Enterprise, Inc. [1]	9,959,466	41,397,000
	Construction & Engineering (2.62%)		
285,000	Quanta Services, Inc.	47,697,751	107,752,800
	Data Processing & Outsourced Services (0.81%)		
403,076	SS&C Technologies Holdings, Inc.	10,805,708	33,374,693
	Electrical Components & Equipment (0.83%)		
265,000	Vertiv Holdings Co., Cl A	23,133,489	34,028,650
	Environmental & Facilities Services (1.70%)		
1,240,418	Rollins, Inc.	15,809,764	69,984,384
	Human Resource & Employment Services (1.76%)		
1,303,093	Dayforce, Inc. [1]	51,006,588	72,178,321
	Industrial Machinery & Supplies & Components (0.82%)		
190,760	IDEX Corp.	13,439,466	33,491,733
	Research & Consulting Services (7.64%)		
200,000	Booz Allen Hamilton Holding Corp.	22,670,902	20,826,000
775,500	TransUnion	32,394,913	68,244,000
721,206	Verisk Analytics, Inc.	17,337,529	224,655,669
		72,403,344	313,725,669
Total Industrials		244,255,576	705,933,250
Information Technology (27.61%)			
	Application Software (14.72%)		
70,000	Fair Isaac Corp. [1]	26,391,352	127,957,200
1,126,809	Guidewire Software, Inc. [1]	53,919,062	265,307,179
475,000	Procore Technologies, Inc. [1]	34,602,758	32,499,500
228,192	Roper Technologies, Inc.	18,952,931	129,348,353
558,000	Samsara, Inc., Cl A [1]	21,978,038	22,197,240
256,493	ServiceTitan, Inc., Cl A [1]	20,395,336	27,490,920
		176,239,477	604,800,392

Baron Asset Fund (continued)

Shares		Cost	Value
Common Stocks (continued)			
Information Technology (continued)			
	Electronic Components (3.93%)		
1,633,000	Amphenol Corp., Cl A	$ 38,430,247	$ 161,258,750
	Internet Services & Infrastructure (0.49%)		
69,173	Verisign, Inc.	3,076,958	19,977,162
	IT Consulting & Other Services (7.19%)		
730,323	Gartner, Inc. [1]	14,722,724	295,211,163
	Systems Software (0.30%)		
536,717	SailPoint, Inc. [1,4]	12,344,491	12,269,351
	Technology Distributors (0.98%)		
226,363	CDW Corp.	13,601,532	40,426,168
Total Information Technology		258,415,429	1,133,942,986
Real Estate (7.37%)			
	Data Center REITs (0.89%)		
46,116	Equinix, Inc.	2,965,261	36,683,894
	Health Care REITs (0.56%)		
150,000	Welltower, Inc.	19,268,419	23,059,500
	Real Estate Services (5.92%)		
496,323	CBRE Group, Inc., Cl A [1]	5,552,581	69,544,779
2,156,930	CoStar Group, Inc. [1]	42,271,713	173,417,172
		47,824,294	242,961,951
Total Real Estate		70,057,974	302,705,345
Total Common Stocks		**915,781,406**	**3,694,798,404**
Private Common Stocks (2.36%)			
Communication Services (1.63%)			
	Movies & Entertainment (1.63%)		
197,613	StubHub Holdings, Inc., Cl A [1,3,4]	50,000,041	67,166,682
Industrials (0.73%)			
	Aerospace & Defense (0.73%)		
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**	**97,199,212**
Private Preferred Stocks (7.31%)			
Communication Services (2.97%)			
	Interactive Media & Services (2.97%)		
3,341,687	X.AI Holdings Corp., Cl B [1,3,4]	39,999,993	122,172,077
Industrials (4.34%)			
	Aerospace & Defense (4.34%)		
96,298	Space Exploration Technologies Corp., Series N [1,3,4]	26,000,460	178,151,300
Total Private Preferred Stocks		**66,000,453**	**300,323,377**

Principal Amount		Cost	Value
Short-Term Investments (0.55%)			
$ 22,499,577	Repurchase Agreement with Fixed Income Clearing Corp., dated 6/30/2025, 3.85% due 7/1/2025; Proceeds at maturity $22,501,983; (Fully Collateralized by $22,238,500 U.S. Treasury Note, 4.375% due 7/15/2027 Market value - $22,949,638)	$ 22,499,577	$ 22,499,577
Total Investments (100.17%)		**$ 1,066,781,503**	4,114,820,570
Liabilities Less Cash and Other Assets (-0.17%)			(7,106,235)
Net Assets			**$ 4,107,714,335**

% Represents percentage of net assets.
[1] Non-income producing securities.
[2] Foreign corporation.
[3] At June 30, 2025, the market value of restricted securities amounted to $397,552,589 or 9.68% 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 Growth Fund

Shares		Cost	Value
Common Stocks (103.02%)			
Communication Services (3.04%)			
	Alternative Carriers (3.04%)		
5,900,000	Iridium Communications, Inc. [4]	$ 32,909,785	$ 178,003,000
Consumer Discretionary (15.79%)			
	Apparel, Accessories & Luxury Goods (1.19%)		
12,368,569	Figs, Inc., Cl A [1]	87,745,510	69,758,729
	Casinos & Gaming (2.09%)		
2,347,802	Red Rock Resorts, Inc., Cl A	61,849,524	122,156,138
	Education Services (0.63%)		
300,000	Bright Horizons Family Solutions, Inc. [1]	8,896,554	37,077,000
	Hotels, Resorts & Cruise Lines (6.51%)		
3,000,000	Choice Hotels International, Inc. [4]	75,582,685	380,640,000
	Leisure Facilities (5.37%)		
2,000,000	Vail Resorts, Inc. [4]	56,102,209	314,260,000
Total Consumer Discretionary		290,176,482	923,891,867
Financials (55.77%)			
	Asset Management & Custody Banks (3.15%)		
1,237,900	The Carlyle Group, Inc.	25,157,260	63,628,060
1,600,000	Cohen & Steers, Inc.	32,448,956	120,560,000
		57,606,216	184,188,060
	Financial Exchanges & Data (24.38%)		
954,000	FactSet Research Systems, Inc.	47,433,577	426,705,120
920,000	Morningstar, Inc.	18,727,699	288,815,600
1,232,000	MSCI, Inc.	22,057,058	710,543,680
		88,218,334	1,426,064,400
	Investment Banking & Brokerage (1.76%)		
450,000	Houlihan Lokey, Inc.	19,625,873	80,977,500
350,000	Moelis & Co., Cl A	3,842,331	21,812,000
		23,468,204	102,789,500
	Life & Health Insurance (5.80%)		
1,240,000	Primerica, Inc.	25,430,440	339,350,800
	Property & Casualty Insurance (20.68%)		
8,425,000	Arch Capital Group Ltd. [1,2]	26,090,376	767,096,250
915,000	Kinsale Capital Group, Inc.	30,088,919	442,768,500
		56,179,295	1,209,864,750
Total Financials		250,902,489	3,262,257,510
Health Care (5.89%)			
	Health Care Equipment (3.21%)		
350,000	IDEXX Laboratories, Inc. [1]	4,836,201	187,719,000
	Health Care Supplies (0.11%)		
1,342,434	Neogen Corp. [1]	17,026,471	6,416,835

Shares		Cost	Value
Common Stocks (continued)			
Health Care (continued)			
	Life Sciences Tools & Services (2.57%)		
1,550,000	Bio-Techne Corporation	$ 19,640,392	$ 79,747,500
60,000	Mettler-Toledo International, Inc. [1]	2,742,936	70,483,200
		22,383,328	150,230,700
Total Health Care		44,246,000	344,366,535
Information Technology (12.15%)			
	Application Software (3.51%)		
305,000	Clearwater Analytics Holdings, Inc., Cl A [1]	4,682,009	6,688,650
845,000	Guidewire Software, Inc. [1]	25,057,001	198,955,250
		29,739,010	205,643,900
	IT Consulting & Other Services (8.64%)		
1,250,000	Gartner, Inc. [1]	17,054,725	505,275,000
Total Information Technology		46,793,735	710,918,900
Real Estate (10.38%)			
	Other Specialized REITs (3.95%)		
4,950,000	Gaming and Leisure Properties, Inc.	97,282,284	231,066,000
	Real Estate Services (6.43%)		
4,675,000	CoStar Group, Inc. [1]	19,458,688	375,870,000
Total Real Estate		116,740,972	606,936,000
Total Common Stocks		**781,769,463**	**6,026,373,812**
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]	**9,374,989**	**0**
Total Investments (103.03%)		**$ 807,444,454**	**6,027,159,249**
Liabilities Less Cash and Other Assets (-3.03%)			**(177,221,400)**
Net Assets			**$ 5,849,937,849**

% Represents percentage of net assets.
[1] Non-income producing securities.
[2] Foreign corporation.
[3] At June 30, 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

Shares		Cost	Value
Common Stocks (99.28%)			
Communication Services (6.05%)			
	Advertising (1.23%)		
680,000	The Trade Desk, Inc., Cl A [1]	$ 2,414,000	$ 48,953,200
	Movies & Entertainment (4.82%)		
1,000,000	Liberty Media Corp.-Liberty Formula One, Cl C [1]	15,681,001	104,500,000
500,000	Liberty Media Corporation-Liberty Live Cl C [1]	21,574,666	40,580,000
225,000	Madison Square Garden Sports Corp. [1]	8,416,557	47,013,750
		45,672,224	192,093,750
Total Communication Services		48,086,224	241,046,950
Consumer Discretionary (15.36%)			
	Automotive Parts & Equipment (0.16%)		
3,250,000	Holley, Inc. [1]	15,612,642	6,500,000
	Casinos & Gaming (4.99%)		
875,000	DraftKings, Inc., Cl A [1]	11,187,787	37,528,750
3,100,000	Red Rock Resorts, Inc., Cl A	91,485,805	161,293,000
		102,673,592	198,821,750
	Education Services (2.25%)		
725,000	Bright Horizons Family Solutions, Inc. [1]	31,922,423	89,602,750
	Home Improvement Retail (0.86%)		
450,000	Floor & Decor Holdings, Inc., Cl A [1]	14,749,690	34,182,000
	Homebuilding (1.59%)		
350,000	Installed Building Products, Inc.	13,854,997	63,112,000
	Leisure Facilities (3.15%)		
1,150,000	Planet Fitness, Inc., Cl A [1]	47,029,230	125,407,500
	Restaurants (2.36%)		
1,500,000	The Cheesecake Factory, Inc.	35,203,844	93,990,000
Total Consumer Discretionary		261,046,418	611,616,000
Consumer Staples (2.13%)			
	Personal Care Products (2.13%)		
1,125,000	Oddity Tech Ltd., Cl A [1,2]	41,428,946	84,903,750
Financials (11.74%)			
	Asset Management & Custody Banks (0.64%)		
2,200,000	GCM Grosvenor, Inc., Cl A	24,429,527	25,432,000
	Insurance Brokers (3.23%)		
3,000,000	Baldwin Insurance Group, Inc. Cl A [1]	46,953,071	128,430,000
	Investment Banking & Brokerage (2.26%)		
500,000	Houlihan Lokey, Inc.	23,001,811	89,975,000
	Property & Casualty Insurance (5.16%)		
425,000	Kinsale Capital Group, Inc.	59,991,814	205,657,500
	Transaction & Payment Processing Services (0.45%)		
3,750,000	Repay Holdings Corporation [1]	32,041,410	18,075,000
Total Financials		186,417,633	467,569,500

Shares		Cost	Value
Common Stocks (continued)			
Health Care (8.93%)			
	Health Care Equipment (1.33%)		
325,000	DexCom, Inc. [1]	$ 1,077,650	$ 28,369,250
190,000	Inspire Medical Systems, Inc. [1]	9,493,280	24,656,300
		10,570,930	53,025,550
	Health Care Services (1.85%)		
600,000	Hinge Health, Inc., Cl A [1]	20,066,580	31,050,000
750,000	RadNet, Inc. [1]	44,042,531	42,682,500
		64,109,111	73,732,500
	Health Care Supplies (0.66%)		
5,500,000	Neogen Corp. [1]	58,747,291	26,290,000
	Life Sciences Tools & Services (3.11%)		
650,000	ICON plc [1,2]	27,743,341	94,542,500
25,000	Mettler-Toledo International, Inc. [1]	1,205,243	29,368,000
		28,948,584	123,910,500
	Managed Health Care (1.98%)		
750,000	HealthEquity, Inc. [1]	12,292,452	78,570,000
Total Health Care		174,668,368	355,528,550
Industrials (33.01%)			
	Aerospace & Defense (7.05%)		
850,000	Karman Holdings, Inc. [1]	22,158,746	42,814,500
2,500,000	Kratos Defense & Security Solutions, Inc. [1]	40,962,927	116,125,000
80,000	TransDigm Group, Inc. [1]	0	121,651,200
		63,121,673	280,590,700
	Building Products (1.28%)		
2,750,000	Janus International Group, Inc. [1]	25,953,585	22,385,000
525,000	Trex Co., Inc. [1]	18,023,818	28,549,500
		43,977,403	50,934,500
	Diversified Support Services (2.20%)		
5,000,000	Driven Brands Holdings, Inc. [1]	90,115,067	87,800,000
	Electrical Components & Equipment (7.25%)		
2,250,000	Vertiv Holdings Co., Cl A	22,895,973	288,922,500
	Environmental & Facilities Services (1.05%)		
225,000	Waste Connections, Inc. [2]	9,825,000	42,012,000
	Human Resource & Employment Services (2.89%)		
950,000	Dayforce, Inc. [1]	29,430,554	52,620,500
3,750,000	First Advantage Corp. [1]	60,629,977	62,287,500
		90,060,531	114,908,000
	Industrial Machinery & Supplies & Components (8.07%)		
625,000	Chart Industries, Inc. [1]	90,564,202	102,906,250
200,000	Enpro, Inc.	34,459,729	38,310,000
700,000	JBT Marel Corp.	63,192,030	84,182,000
250,000	RBC Bearings, Inc. [1]	27,992,037	96,200,000
		216,207,998	321,598,250
	Research & Consulting Services (0.56%)		
300,000	Exponent, Inc.	22,851,915	22,413,000

Baron Small Cap Fund (continued)

Shares		Cost	Value
Common Stocks (continued)			
Industrials (continued)			
	Trading Companies & Distributors (2.66%)		
875,000	SiteOne Landscape Supply, Inc. [1]	$ 33,566,364	$ 105,822,500
Total Industrials		592,621,924	1,315,001,450
Information Technology (21.25%)			
	Application Software (10.15%)		
3,000,000	Clearwater Analytics Holdings, Inc., Cl A [1]	55,554,793	65,790,000
875,000	Guidewire Software, Inc. [1]	22,262,486	206,018,750
1,700,000	Intapp, Inc. [1]	66,231,698	87,754,000
1,600,000	nCino, Inc. [1]	51,018,174	44,752,000
		195,067,151	404,314,750
	Electronic Equipment & Instruments (2.56%)		
1,900,000	Cognex Corp.	39,755,701	60,268,000
600,000	PAR Technology Corp. [1]	41,297,701	41,622,000
		81,053,402	101,890,000
	IT Consulting & Other Services (6.91%)		
1,375,000	ASGN, Inc. [1]	29,684,666	68,653,750
425,000	Gartner, Inc. [1]	5,502,186	171,793,500
3,000,000	Grid Dynamics Holdings, Inc. [1]	36,322,597	34,650,000
		71,509,449	275,097,250
	Semiconductors (0.53%)		
6,000,000	indie Semiconductor, Inc., Cl A [1]	37,247,069	21,360,000
	Systems Software (1.10%)		
1,000,000	JFrog Ltd. [1,2]	31,388,826	43,880,000
Total Information Technology		416,265,897	846,542,000
Materials (0.81%)			
	Specialty Chemicals (0.81%)		
1,000,000	Avient Corp.	29,173,594	32,310,000
Total Common Stocks		**1,749,709,004**	**3,954,518,200**

Principal Amount		Cost	Value
Short-Term Investments (0.73%)			
$ 28,986,098	Repurchase Agreement with Fixed Income Clearing Corp., dated 6/30/2025, 3.85% due 7/1/2025; Proceeds at maturity $28,989,198; (Fully Collateralized by $22,846,600 U.S. Treasury Inflation-Indexed Note, 0.375% due 7/15/2027 Market value - $29,565,978)	$ 28,986,098	$ 28,986,098
Total Investments (100.01%)		**$ 1,778,695,102**	**3,983,504,298**
Liabilities Less Cash and Other Assets (-0.01%)			**(534,583)**
Net Assets			**$ 3,982,969,715**

% Represents percentage of net assets.
[1] Non-income producing securities.
[2] Foreign corporation.

Baron Opportunity Fund

Shares		Cost	Value
Common Stocks (93.57%)			
Communication Services (13.01%)			
	Advertising (2.33%)		
536,010	The Trade Desk, Inc., Cl A [1]	$ 30,344,784	$ 38,587,360
	Interactive Media & Services (5.23%)		
117,100	Meta Platforms, Inc., Cl A	22,349,489	86,430,339
	Movies & Entertainment (5.45%)		
117,400	Spotify Technology SA [1,2]	34,018,492	90,085,716
Total Communication Services		86,712,765	215,103,415
Consumer Discretionary (13.03%)			
	Automobile Manufacturers (4.60%)		
239,200	Tesla, Inc. [1]	15,546,000	75,984,272
	Broadline Retail (6.44%)		
485,500	Amazon.com, Inc. [1]	29,742,116	106,513,845
	Casinos & Gaming (1.05%)		
405,000	DraftKings, Inc., Cl A [1]	12,760,168	17,370,450
	Education Services (0.94%)		
37,900	Duolingo, Inc. [1]	7,656,708	15,539,758
Total Consumer Discretionary		65,704,992	215,408,325
Financials (5.80%)			
	Investment Banking & Brokerage (1.74%)		
76,500	LPL Financial Holdings, Inc.	25,609,841	28,685,205
	Transaction & Payment Processing Services (4.06%)		
56,400	Mastercard, Incorporated, Cl A	12,019,014	31,693,416
99,800	Visa, Inc., Cl A	15,336,164	35,433,990
		27,355,178	67,127,406
Total Financials		52,965,019	95,812,611
Health Care (8.33%)			
	Biotechnology (2.84%)		
237,000	Arcellx, Inc. [1]	15,380,413	15,606,450
56,739	argenx SE, ADR [1,2]	5,316,767	31,275,671
		20,697,180	46,882,121
	Health Care Equipment (1.35%)		
41,105	Intuitive Surgical, Inc. [1]	4,585,816	22,336,868
	Health Care Services (0.94%)		
301,785	Hinge Health, Inc., Cl A [1]	10,440,040	15,617,374
	Life Sciences Tools & Services (0.90%)		
280,000	Exact Sciences Corp. [1,4]	15,067,363	14,879,200
	Pharmaceuticals (2.30%)		
48,700	Eli Lilly & Co.	37,583,190	37,963,111
Total Health Care		88,373,589	137,678,674

Shares		Cost	Value
Common Stocks (continued)			
Industrials (0.57%)			
	Construction & Engineering (0.57%)		
25,000	Quanta Services, Inc.	$ 6,003,860	$ 9,452,000
Information Technology (50.57%)			
	Application Software (6.48%)		
113,400	Atlassian Corp., Cl A [1,2]	20,207,830	23,030,406
267,500	Gitlab, Inc., Cl A [1,4]	11,041,618	12,066,925
95,600	Guidewire Software, Inc. [1]	2,392,143	22,509,020
621,900	Samsara, Inc., Cl A [1]	20,712,062	24,739,182
24,100	ServiceNow, Inc. [1,4]	3,170,684	24,776,728
		57,524,337	107,122,261
	Electronic Equipment & Instruments (0.83%)		
196,898	PAR Technology Corp. [1]	10,949,943	13,658,814
	Internet Services & Infrastructure (3.08%)		
642,000	GDS Holdings Ltd., ADR [1,2]	11,352,830	19,625,940
272,100	Shopify, Inc., Cl A [1,2]	11,380,866	31,386,735
		22,733,696	51,012,675
	IT Consulting & Other Services (1.59%)		
64,887	Gartner, Inc. [1]	805,042	26,228,623
	Semiconductor Materials & Equipment (0.95%)		
57,000	Nova Ltd. [1,2]	11,343,542	15,686,400
	Semiconductors (22.16%)		
373,200	Broadcom, Inc.	51,778,991	102,872,580
5,945,971	indie Semiconductor, Inc., Cl A [1]	33,181,703	21,167,657
24,000	Monolithic Power Systems, Inc.	13,955,429	17,553,120
1,241,100	NVIDIA Corp.	7,126,300	196,081,389
126,700	Taiwan Semiconductor Manufacturing Co., Ltd., ADR [2]	15,332,239	28,696,283
		121,374,662	366,371,029
	Systems Software (15.48%)		
151,500	Cloudflare, Inc., Cl A [1,4]	8,944,064	29,668,245
52,800	CyberArk Software Ltd. [1,2]	17,754,630	21,483,264
204,500	Datadog, Inc., Cl A [1,4]	19,569,548	27,470,485
254,000	Microsoft Corporation	27,363,758	126,342,140
112,100	Snowflake, Inc., Cl A [1,4]	18,674,243	25,084,617
82,500	Zscaler, Inc. [1]	15,575,854	25,900,050
		107,882,097	255,948,801
Total Information Technology		332,613,319	836,028,603
Real Estate (2.26%)			
	Real Estate Services (2.26%)		
465,130	CoStar Group, Inc. [1]	23,649,851	37,396,452
Total Common Stocks		**656,023,395**	**1,546,880,080**

Baron Opportunity Fund (continued)

Shares		Cost	Value
Private Common Stocks (2.47%)			
Communication Services (0.31%)			
	Interactive Media & Services (0.31%)		
138,800	X.AI Holdings Corp., Cl A [1,3,4]	$ 5,000,000	$ 5,074,528
Industrials (2.14%)			
	Aerospace & Defense (2.14%)		
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**	**40,745,084**
Private Convertible Preferred Stocks (0.16%)			
Materials (0.16%)			
	Fertilizers & Agricultural Chemicals (0.17%)		
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 (3.11%)			
Communication Services (1.02%)			
	Interactive Media & Services (1.02%)		
461,893	X.AI Holdings Corp., Cl C [1,3,4]	9,999,983	16,886,808
Industrials (2.09%)			
	Aerospace & Defense (2.07%)		
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		Cost	Value
Short-Term Investments (0.70%)			
$ 11,456,730	Repurchase Agreement with Fixed Income Clearing Corp., dated 6/30/2025, 3.85% due 7/1/2025; Proceeds at maturity $11,457,955; (Fully Collateralized by $11,323,800 U.S. Treasury Note, 4.375% due 7/15/2027 Market value - $11,685,920)	$ 11,456,730	$ 11,456,730
Total Investments (100.01%)		**$ 718,483,991**	**1,653,261,809**
Liabilities Less Cash and Other Assets (-0.01%)			**(125,505)**
Net Assets			**$ 1,653,136,304**

% Represents percentage of net assets.
[1] Non-income producing securities.
[2] Foreign corporation.
[3] At June 30, 2025, the market value of restricted securities amounted to $94,924,999 or 5.74% 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

Shares		Cost	Value
Common Stocks (88.24%)			
Communication Services (2.59%)			
	Alternative Carriers (0.23%)		
550,000	Iridium Communications, Inc. [6]	$ 11,310,683	$ 16,593,500
	Movies & Entertainment (2.36%)		
225,000	Spotify Technology SA [1,2,6]	36,152,863	172,651,500
Total Communication Services		47,463,546	189,245,000
Consumer Discretionary (45.28%)			
	Automobile Manufacturers (33.19%)		
7,645,000	Tesla, Inc. [1,5,6]	112,500,499	2,428,510,700
	Casinos & Gaming (1.39%)		
1,954,558	Red Rock Resorts, Inc., Cl A [6]	70,946,879	101,695,653
	Footwear (1.16%)		
1,725,000	Birkenstock Holding PLC [1,2,6]	78,199,680	84,835,500
	Hotels, Resorts & Cruise Lines (6.32%)		
3,310,000	Hyatt Hotels Corp., Cl A [6]	114,517,357	462,241,500
	Leisure Facilities (3.22%)		
1,500,000	Vail Resorts, Inc. [6]	150,615,938	235,695,000
Total Consumer Discretionary		526,780,353	3,312,978,353
Financials (19.53%)			
	Financial Exchanges & Data (6.36%)		
640,000	FactSet Research Systems, Inc. [6]	39,264,032	286,259,200
310,000	MSCI, Inc. [6]	122,111,816	178,789,400
		161,375,848	465,048,600
	Investment Banking & Brokerage (5.49%)		
4,400,000	The Charles Schwab Corp. [6]	113,630,269	401,456,000
	Property & Casualty Insurance (7.68%)		
6,175,000	Arch Capital Group Ltd. [1,2,6]	27,361,902	562,233,750
Total Financials		302,368,019	1,428,738,350
Health Care (4.54%)			
	Health Care Equipment (4.54%)		
620,000	IDEXX Laboratories, Inc. [1,6]	27,074,535	332,530,800
Industrials (0.98%)			
	Aerospace & Defense (0.98%)		
125,625	HEICO Corp. [6]	9,632,520	41,205,000
116,875	HEICO Corp., Cl A [6]	7,586,429	30,241,406
Total Industrials		17,218,949	71,446,406
Information Technology (6.48%)			
	Application Software (2.83%)		
880,000	Guidewire Software, Inc. [1,6]	71,023,556	207,196,000
	IT Consulting & Other Services (3.65%)		
660,000	Gartner, Inc. [1,6]	78,996,274	266,785,200
Total Information Technology		150,019,830	473,981,200

Shares		Cost	Value
Common Stocks (continued)			
Real Estate (8.84%)			
	Other Specialized REITs (1.13%)		
1,775,000	Gaming and Leisure Properties, Inc. [6]	$ 55,052,805	$ 82,857,000
	Real Estate Services (7.71%)		
7,020,000	CoStar Group, Inc. [1,6]	93,593,106	564,408,000
Total Real Estate		148,645,911	647,265,000
Total Common Stocks		**1,219,571,143**	**6,456,185,109**
Private Common Stocks (8.12%)			
Communication Services (1.75%)			
	Interactive Media & Services (0.83%)		
1,665,600	X.AI Holdings Corp., Cl A [1,3,4]	60,000,000	60,894,336
	Movies & Entertainment (0.92%)		
197,613	StubHub Holdings, Inc., Cl A [1,3,4]	50,000,041	67,166,683
Total Communication Services		110,000,041	128,061,019
Industrials (6.37%)			
	Aerospace & Defense (6.37%)		
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**	**593,987,219**
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**
Private Preferred Stocks (12.31%)			
Industrials (12.31%)			
	Aerospace & Defense (12.31%)		
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**

Baron Partners Fund (continued)

Principal Amount		Cost	Value
Short-Term Investments (0.00%)^			
$ 323,750	Repurchase Agreement with Fixed Income Clearing Corp., dated 6/30/2025, 3.85% due 7/1/2025; Proceeds at maturity $323,785; (Fully Collateralized by $333,200 U.S. Treasury Note, 2.75% due 7/31/2027 Market value - $330,362)	$ 323,750	$ 323,750
Total Investments (108.67%)		**$ 1,447,908,012**	**7,951,286,978**
Liabilities Less Cash and Other Assets (-8.67%)			**(634,676,419)**
Net Assets			**$ 7,316,610,559**

% Represents percentage of net assets.
[1] Non-income producing securities.
[2] Foreign corporation.
[3] At June 30, 2025, the market value of restricted securities amounted to $1,494,778,119 or 20.43% 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 June 30, 2025, the total market value of pledged securities amounted to $1,272,810,616 or 17.40% of net assets.
^ Rounds to less than 0.01%.

Baron Fifth Avenue Growth Fund

Shares		Cost	Value
Common Stocks (97.21%)			
Communication Services (14.17%)			
	Advertising (2.24%)		
229,170	The Trade Desk, Inc., Cl A [1]	$ 12,756,959	$ 16,497,948
	Interactive Media & Services (11.93%)		
126,083	Alphabet, Inc., Cl A	19,170,322	22,219,607
89,102	Meta Platforms Inc., Cl A	6,261,802	65,765,295
		25,432,124	87,984,902
Total Communication Services		38,189,083	104,482,850
Consumer Discretionary (20.22%)			
	Automobile Manufacturers (3.20%)		
74,227	Tesla, Inc. [1]	16,024,679	23,578,949
	Automotive Parts & Equipment (0.99%)		
407,843	Mobileye Global, Inc., Cl A [1]	7,634,895	7,333,017
	Broadline Retail (16.03%)		
284,121	Amazon.com, Inc. [1]	2,673,396	62,333,306
644,327	Coupang, Inc. [1]	11,478,357	19,304,037
13,982	MercadoLibre, Inc. [1]	9,633,147	36,543,775
		23,784,900	118,181,118
Total Consumer Discretionary		47,444,474	149,093,084
Financials (6.64%)			
	Asset Management & Custody Banks (2.53%)		
140,530	KKR & Co., Inc.	17,320,468	18,694,706
	Transaction & Payment Processing Services (4.11%)		
8,265	Adyen N.V., 144A (Netherlands) [1,2]	7,869,686	15,178,979
222,325	Block, Inc. [1]	13,682,487	15,102,537
		21,552,173	30,281,516
Total Financials		38,872,641	48,976,222
Health Care (10.73%)			
	Biotechnology (2.39%)		
31,913	argenx SE, ADR [1,2]	10,452,575	17,591,084
	Health Care Equipment (3.20%)		
43,393	Intuitive Surgical, Inc. [1]	5,068,231	23,580,190
	Health Care Technology (1.16%)		
29,805	Veeva Systems, Inc., Cl A [1]	1,809,733	8,583,244
	Life Sciences Tools & Services (1.56%)		
4,609	GRAIL, Inc. [1,4]	28,246	236,995
118,245	Illumina, Inc. [1]	10,231,429	11,281,755
		10,259,675	11,518,750
	Pharmaceuticals (2.42%)		
22,864	Eli Lilly & Co.	18,679,159	17,823,174
Total Health Care		46,269,373	79,096,442

Shares		Cost	Value
Common Stocks (continued)			
Information Technology (45.45%)			
	Application Software (8.99%)		
64,528	Atlassian Corp., Cl A [1,2]	$ 11,642,822	$ 13,104,992
129,565	Gitlab, Inc., Cl A [1,4]	6,893,161	5,844,677
615,953	Samsara, Inc., Cl A [1]	23,544,827	24,502,610
22,215	ServiceNow, Inc. [1,4]	6,286,237	22,838,797
		48,367,047	66,291,076
	Internet Services & Infrastructure (7.28%)		
465,239	Shopify, Inc., Cl A [1,2]	18,967,592	53,665,319
	Semiconductor Materials & Equipment (2.42%)		
22,279	ASML Holding N.V. [2]	3,361,032	17,854,168
	Semiconductors (15.01%)		
519,452	NVIDIA Corp.	6,777,240	82,068,221
126,512	Taiwan Semiconductor Manufacturing Co., Ltd., ADR [2]	22,809,901	28,653,703
		29,587,141	110,721,924
	Systems Software (11.75%)		
136,622	Cloudflare, Inc., Cl A [1,4]	10,915,869	26,754,686
26,917	Crowdstrike Holdings, Inc., Cl A [1]	1,113,716	13,709,097
167,782	Datadog, Inc., Cl A [1,4]	11,033,720	22,538,156
105,702	Snowflake, Inc., Cl A [1,4]	13,141,494	23,652,937
		36,204,799	86,654,876
Total Information Technology		136,487,611	335,187,363
Total Common Stocks		**307,263,182**	**716,835,961**
Private Common Stocks (1.34%)			
Industrials (1.34%)			
	Aerospace & Defense (1.34%)		
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 (0.82%)			
Communication Services (0.80%)			
	Interactive Media & Services (0.80%)		
161,662	X.AI Holdings Corp., Cl 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 (continued)

Principal Amount		Cost	Value
Short-Term Investments (0.62%)			
$ 4,530,582	Repurchase Agreement with Fixed Income Clearing Corp., dated 6/30/2025, 3.85% due 7/1/2025; Proceeds at maturity $4,531,066; (Fully Collateralized by $4,478,100 U.S. Treasury Note, 4.375% due 7/15/2027 Market value - $4,621,392)	$ 4,530,582	$ 4,530,582
Total Investments (99.99%)		$ 321,305,829	737,320,644
Cash and Other Assets Less Liabilities (0.01%)			86,096
Net Assets			$ 737,406,740

% Represents percentage of net assets.
[1] Non-income producing securities.
[2] Foreign corporation.
[3] At June 30, 2025, the market value of restricted securities, excluding Rule 144A securities as separately described below, amounted to $15,954,101 or 2.16% 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 June 30, 2025, the market value of Rule 144A securities amounted to $15,178,979 or 2.06% of net assets.

Baron Focused Growth Fund

Shares		Cost	Value
Common Stocks (85.82%)			
Communication Services (10.41%)			
	Alternative Carriers (0.98%)		
825,000	Iridium Communications, Inc.	$ 19,319,741	$ 24,890,250
	Movies & Entertainment (9.43%)		
265,000	Live Nation Entertainment, Inc.[1]	35,488,718	40,089,200
262,000	Spotify Technology SA[1,2]	35,016,218	201,043,080
		70,504,936	241,132,280
Total Communication Services		89,824,677	266,022,530
Consumer Discretionary (36.87%)			
	Apparel, Accessories & Luxury Goods (1.87%)		
8,493,569	Figs, Inc., Cl A[1]	65,129,065	47,903,729
	Automobile Manufacturers (7.64%)		
615,000	Tesla, Inc.[1]	8,168,271	195,360,900
	Casinos & Gaming (5.56%)		
875,000	Las Vegas Sands Corp.	33,668,402	38,071,250
2,000,000	Red Rock Resorts, Inc., Cl A	84,374,710	104,060,000
		118,043,112	142,131,250
	Footwear (8.60%)		
1,895,000	Birkenstock Holding PLC[1,2]	91,601,486	93,196,100
2,435,000	On Holding AG, Cl A[1,2]	86,965,848	126,741,750
		178,567,334	219,937,850
	Homebuilding (1.21%)		
270,000	Toll Brothers, Inc.	28,917,624	30,815,100
	Hotels, Resorts & Cruise Lines (8.06%)		
134,000	Airbnb, Inc., Cl A[1]	15,295,942	17,733,560
625,000	Choice Hotels International, Inc.	61,670,077	79,300,000
781,500	Hyatt Hotels Corp., Cl A	63,750,711	109,136,475
		140,716,730	206,170,035
	Leisure Facilities (3.93%)		
638,842	Vail Resorts, Inc.	109,839,275	100,381,244
Total Consumer Discretionary		649,381,411	942,700,108
Financials (15.18%)			
	Financial Exchanges & Data (6.25%)		
125,000	FactSet Research Systems, Inc.	25,848,439	55,910,000
180,000	MSCI, Inc.	95,371,515	103,813,200
		121,219,954	159,723,200
	Investment Banking & Brokerage (5.73%)		
2,160,000	Interactive Brokers Group, Inc., Cl A	47,496,721	119,685,600
490,000	Jefferies Financial Group, Inc.	19,400,226	26,798,100
		66,896,947	146,483,700
	Property & Casualty Insurance (3.20%)		
900,000	Arch Capital Group Ltd.[1,2]	25,104,585	81,945,000
Total Financials		213,221,486	388,151,900
Health Care (5.00%)			
	Health Care Equipment (5.00%)		
238,500	IDEXX Laboratories, Inc.[1]	101,512,966	127,917,090

Shares		Cost	Value
Common Stocks (continued)			
Industrials (2.62%)			
	Research & Consulting Services (2.62%)		
215,000	Verisk Analytics, Inc.	$ 44,241,668	$ 66,972,500
Information Technology (10.65%)			
	Application Software (7.60%)		
100,000	ANSYS, Inc.[1]	25,699,482	35,122,000
556,300	Guidewire Software, Inc.[1]	53,334,636	130,980,835
710,000	Samsara, Inc., Cl A[1]	26,547,661	28,243,800
		105,581,779	194,346,635
	Internet Services & Infrastructure (3.05%)		
675,000	Shopify, Inc., Cl A[1,2]	34,732,649	77,861,250
Total Information Technology		140,314,428	272,207,885
Real Estate (5.09%)			
	Office REITs (0.88%)		
1,500,000	Douglas Emmett, Inc.	20,868,019	22,560,000
	Real Estate Services (4.21%)		
1,336,700	CoStar Group, Inc.[1]	68,841,484	107,470,680
Total Real Estate		89,709,503	130,030,680
Total Common Stocks		**1,328,206,139**	**2,194,002,693**
Private Common Stocks (5.59%)			
Industrials (5.59%)			
	Aerospace & Defense (5.59%)		
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 (6.40%)			
Communication Services (2.39%)			
	Interactive Media & Services (2.39%)		
1,670,843	X.AI Holdings Corp., Series B[1,3,4]	19,999,991	61,086,020
Health Care (0.20%)			
	Health Care Equipment (0.20%)		
99,010	Neuralink Corp., Series E[1,3,4]	5,000,005	5,000,005
Industrials (3.81%)			
	Aerospace & Defense (3.81%)		
29,630	Space Exploration Technologies Corp.[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		**41,750,187**	**163,606,925**

Baron Focused Growth Fund (continued)

Principal Amount		Cost	Value
Short-Term Investments (1.89%)			
$ 48,268,709	Repurchase Agreement with Fixed Income Clearing Corp., dated 6/30/2025, 3.85% due 7/1/2025; Proceeds at maturity $48,273,872; (Fully Collateralized by $47,708,600 U.S. Treasury Note, 4.375% due 7/15/2027 Market value - $49,234,197)	$ 48,268,709	$ 48,268,709
Total Investments (99.70%)		$ 1,451,424,700	2,548,835,227
Cash and Other Assets Less Liabilities (0.30%)			7,709,774
Net Assets			$ 2,556,545,001

% Represents percentage of net assets.
[1] Non-income producing securities.
[2] Foreign corporation.
[3] At June 30, 2025, the market value of restricted securities amounted to $306,563,825 or 11.99% 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

Shares		Cost	Value
Common Stocks (96.13%)			
Australia (2.18%)			
781,639	Lynas Rare Earths Ltd.[1]	$ 3,422,208	$ 4,455,514
44,709	WiseTech Global Ltd.	3,243,489	3,206,344
Total Australia		6,665,697	7,661,858
Brazil (1.47%)			
106,759	Afya Ltd., Cl A	1,418,892	1,906,716
179,434	Localiza Rent a Car SA	1,891,992	1,338,217
96,042	XP, Inc., Cl A	1,674,690	1,940,048
Total Brazil		4,985,574	5,184,981
Canada (4.48%)			
21,466	Agnico Eagle Mines Ltd.	1,008,178	2,552,951
2,613	Constellation Software, Inc.	37,903	9,581,224
343,921	Lundin Mining Corp.	3,390,971	3,616,632
Total Canada		4,437,052	15,750,807
China (8.30%)			
22,576	Alibaba Group Holding Limited, ADR	1,885,849	2,560,344
129,050	BYD Co. Ltd., Cl H	1,978,375	2,009,311
912,797	China Mengniu Dairy Co. Ltd.	1,609,733	1,881,475
85,429	Contemporary Amperex Technology Co. Ltd., Cl A	2,642,796	3,011,572
424,048	Full Truck Alliance Co. Ltd., ADR	2,895,060	5,008,007
1,585,135	Kingdee International Software Group Co. Ltd.[1]	1,300,555	3,132,991
36,130	Tencent Holdings Limited	360,921	2,328,058
30,858	Tencent Holdings Limited, ADR	1,262,955	1,990,341
100,055	Tencent Music Entertainment Group, ADR	917,082	1,950,072
96,846	Zai Lab Limited, ADR[1]	2,173,913	3,386,705
410,174	Zhejiang Shuanghuan Driveline Co. Ltd., Cl A	1,961,796	1,917,459
Total China		18,989,035	29,176,335
Denmark (0.42%)			
21,441	Novo Nordisk AS, ADR	2,108,773	1,479,858
France (8.94%)			
18,853	Airbus SE	2,943,064	3,944,060
100,573	BNP Paribas S.A.	4,235,701	9,021,569
69,868	Eurofins Scientific SE	915,045	4,979,166
2,575	LVMH Moët Hennessy Louis Vuitton SE	575,757	1,347,704
16,355	Pernod Ricard SA	2,435,184	1,631,434
48,876	TotalEnergies SE	2,824,441	2,987,432
293,272	Waga Energy SA[1]	7,480,413	7,543,416
Total France		21,409,605	31,454,781
Germany (3.20%)			
216,214	Deutsche Bank AG	5,088,058	6,330,746
46,912	Symrise AG	3,339,324	4,919,401
Total Germany		8,427,382	11,250,147
Greece (0.76%)			
384,597	Piraeus Financial Holdings SA	2,188,473	2,664,405

Shares		Cost	Value
Common Stocks (continued)			
India (9.78%)			
292,100	Bharti Airtel Ltd. PP	$ 1,571,534	$ 5,215,539
76,376	Centum Electronics Ltd.	2,106,467	2,136,046
573,361	Eternal Ltd. (formerly, Zomato Ltd.)[1]	1,735,228	1,765,835
144,184	Godrej Consumer Products Ltd.	1,787,602	1,981,448
46,479	Godrej Properties Ltd.[1]	655,434	1,270,908
288,869	Indus Towers Ltd.[1]	1,075,546	1,416,827
48,599	InterGlobe Aviation Ltd., 144A[1]	2,170,907	3,389,492
409,321	Jio Financial Services Ltd.[1]	940,359	1,561,360
1,032,944	JM Financial Limited	1,029,913	1,920,133
41,599	Kaynes Technology India Ltd.[1]	1,505,598	2,961,358
181,636	Max Healthcare Institute Ltd.	1,371,720	2,702,513
212,450	Nippon Life India Asset Management Ltd., 144A	680,488	1,982,809
204,485	Reliance Industries Limited	1,752,416	3,579,145
34,657	Trent Ltd.	709,935	2,512,507
Total India		19,093,147	34,395,920
Ireland (1.83%)			
450,335	Bank of Ireland Group PLC	3,383,558	6,417,330
Israel (4.66%)			
13,324	CyberArk Software Ltd.[1]	2,394,998	5,421,269
96,860	Oddity Tech Ltd., Cl A[1]	3,142,827	7,310,024
23,167	Wix.com Ltd.[1]	1,203,490	3,671,043
Total Israel		6,741,315	16,402,336
Italy (0.86%)			
123,454	Stevanato Group SpA	2,602,249	3,015,981
Japan (9.78%)			
299,555	Ajinomoto Co., Inc.	5,641,272	8,124,875
142,852	Japan Exchange Group, Inc.	1,290,518	1,447,094
10,018	Keyence Corporation	2,572,506	4,005,477
875,730	LY Corp.	2,431,368	3,224,968
360,009	Mitsubishi UFJ Financial Group, Inc., ADR	3,042,684	4,939,323
27,800	Recruit Holdings Co, Ltd.	421,608	1,634,823
188,500	SMS Co. Ltd.	5,083,004	1,933,615
225,391	Sumitomo Mitsui Financial Group, Inc.	3,191,690	5,675,560
17,833	Tokyo Electron Limited	1,429,991	3,415,186
Total Japan		25,104,641	34,400,921
Korea, Republic of (7.06%)			
88,076	Coupang, Inc.[1]	1,022,449	2,638,757
16,397	HD Hyundai Heavy Industries Co. Ltd.	1,508,397	5,175,465
33,765	HD Korea Shipbuilding & Offshore Engineering Co. Ltd.	2,303,759	9,117,928
31,106	ISC Co. Ltd.	1,282,093	1,372,584
14,604	Park Systems Corp.	1,917,941	3,075,986
16,068	SK Hynix, Inc.	2,415,055	3,462,358
Total Korea, Republic of		10,449,694	24,843,078

Baron International Growth Fund (continued)

Shares		Cost	Value
Common Stocks (continued)			
Netherlands (7.07%)			
165,012	AMG Critical Materials NV	$ 3,779,590	$ 4,247,049
13,939	argenx SE, ADR[1]	390,710	7,683,456
39,674	DSM-Firmenich AG	4,450,536	4,220,726
44,855	Prosus NV	1,573,846	2,516,656
190,772	Universal Music Group NV	4,040,355	6,188,749
Total Netherlands		14,235,037	24,856,636
Peru (1.49%)			
23,518	Credicorp, Ltd.	3,715,424	5,256,743
Poland (2.24%)			
17,320	Dino Polska SA, 144A[1]	1,217,588	2,531,015
320,958	InPost SA[1]	2,426,091	5,341,289
Total Poland		3,643,679	7,872,304
Russia (0.00%)^			
487,800	Sberbank of Russia PJSC[1,2]	1,650,983	361
Spain (3.56%)			
997,092	eDreams ODIGEO SA[1]	6,901,669	9,132,335
65,249	Industria de Diseno Textil, S.A.	1,851,522	3,403,829
Total Spain		8,753,191	12,536,164
Sweden (1.68%)			
271,338	Epiroc AB, Cl A	4,499,735	5,904,272
Switzerland (1.88%)			
6,508	Compagnie Financiere Richemont SA, Cl A	761,811	1,231,527
29,116	Nestle S.A.	2,564,309	2,894,897
48,035	On Holding AG, Cl A[1]	2,676,026	2,500,222
Total Switzerland		6,002,146	6,626,646
Taiwan (3.77%)			
16,819	eMemory Technology, Inc.	1,288,487	1,361,605
324,960	Taiwan Semiconductor Manufacturing Co., Ltd.	6,703,378	11,883,575
Total Taiwan		7,991,865	13,245,180
United Kingdom (7.31%)			
78,008	AstraZeneca PLC, ADR	2,781,147	5,451,199
161,996	BAE Systems PLC	2,808,494	4,204,259
138,415	Experian plc	2,631,939	7,137,542
19,017	Linde Public Limited Company	2,751,958	8,912,388
Total United Kingdom		10,973,538	25,705,388
United States (3.41%)			
41,423	Agilent Technologies, Inc.	1,587,774	4,888,328
77,997	Arch Capital Group Ltd.[1]	1,124,290	7,101,627
Total United States		2,712,064	11,989,955
Total Common Stocks		**200,763,857**	**338,092,387**
Warrants (0.00%)			
Canada (0.00%)			
5,029	Constellation Software, Inc. Exp. 3/31/2040 [1,2]	**0**	**0**

Principal Amount		Cost	Value
Short-Term Investments (3.80%)			
$ 13,351,146	Repurchase Agreement with Fixed Income Clearing Corp., dated 6/30/2025, 3.85% due 7/1/2025; Proceeds at maturity $13,352,574; (Fully Collateralized by $13,196,300 U.S. Treasury Note, 4.375% due 7/15/2027 Market value - $13,618,366)	**$ 13,351,146**	**$ 13,351,146**
Total Investments (99.93%)		**$ 214,115,003**	**351,443,533**
Cash and Other Assets Less Liabilities (0.07%)			**236,592**
Net Assets			**$ 351,680,125**

% Represents percentage of net assets.
[1] Non-income producing securities.
[2] At June 30, 2025, the market value of restricted securities, excluding Rule 144A securities as separately described below, amounted to $361 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 June 30, 2025, the market value of Rule 144A securities amounted to $7,903,316 or 2.25% of net assets.

Summary of Investments by Sector as of June 30, 2025	Percentage of Net Assets (%)
Information Technology	16.7
Industrials	16.2
Financials	16.0
Consumer Discretionary	10.1
Health Care	9.6
Materials	9.4
Consumer Staples	7.5
Communication Services	6.3
Energy	4.0
Real Estate	0.4
Cash and Cash Equivalents*	3.9
Total	**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

Shares		Cost	Value
Common Stocks (97.59%)			
Consumer Discretionary (24.45%)			
	Casinos & Gaming (5.26%)		
316,200	Las Vegas Sands Corp.	$ 11,094,485	$ 13,757,862
540,949	Red Rock Resorts, Inc., Cl A	8,370,736	28,145,577
751,478	Wynn Resorts Ltd.	60,995,354	70,390,944
		80,460,575	112,294,383
	Home Improvement Retail (2.33%)		
223,750	Lowe's Companies, Inc.	45,073,864	49,643,413
	Homebuilding (9.00%)		
196,600	D.R. Horton, Inc.	11,356,591	25,345,672
106,200	Installed Building Products, Inc.	13,837,669	19,149,984
909,100	Taylor Morrison Home Corp. [1]	55,802,460	55,836,922
802,800	Toll Brothers, Inc.	65,454,325	91,623,564
		146,451,045	191,956,142
	Hotels, Resorts & Cruise Lines (7.86%)		
358,816	Airbnb, Inc., Cl A [1]	40,645,334	47,485,709
218,900	Hilton Worldwide Holdings, Inc.	34,287,301	58,301,826
442,500	Hyatt Hotels Corp., Cl A	53,482,747	61,795,125
		128,415,382	167,582,660
Total Consumer Discretionary		400,400,866	521,476,598
Financials (12.32%)			
	Asset Management & Custody Banks (11.22%)		
439,700	Blackstone, Inc.	41,736,350	65,770,326
956,806	Brookfield Asset Management Ltd., Cl A [2]	34,622,302	52,892,235
1,951,075	Brookfield Corp., Cl A [2]	79,296,469	120,673,989
		155,655,121	239,336,550
	Mortgage REITs (1.10%)		
1,213,050	Blackstone Mortgage Trust, Inc., Cl A	23,347,856	23,351,213
Total Financials		179,002,977	262,687,763
Industrials (6.04%)			
	Building Products (2.81%)		
290,000	Advanced Drainage Systems, Inc.	33,790,661	33,309,400
56,300	Builders FirstSource, Inc. [1]	6,563,260	6,569,647
368,700	Trex Co., Inc. [1]	24,499,355	20,049,906
		64,853,276	59,928,953
	Trading Companies & Distributors (3.23%)		
569,535	SiteOne Landscape Supply, Inc. [1]	68,314,091	68,879,563
Total Industrials		133,167,367	128,808,516
Information Technology (2.32%)			
	Internet Services & Infrastructure (2.32%)		
1,620,675	GDS Holdings Ltd., ADR [1,2]	17,706,526	49,544,035

Shares		Cost	Value
Common Stocks (continued)			
Materials (8.36%)			
	Construction Materials (5.57%)		
741,400	CRH PLC [2]	$ 73,124,460	$ 68,060,520
194,595	Vulcan Materials Co.	41,230,425	50,754,268
		114,354,885	118,814,788
	Forest Products (2.79%)		
692,652	Louisiana-Pacific Corp.	62,008,866	59,561,145
Total Materials		176,363,751	178,375,933
Real Estate (44.10%)			
	Data Center REITs (5.79%)		
236,354	Digital Realty Trust, Inc.	30,448,633	41,203,593
103,485	Equinix, Inc.	62,885,357	82,319,213
		93,333,990	123,522,806
	Health Care REITs (5.46%)		
757,200	Welltower, Inc.	69,421,292	116,404,356
	Industrial REITs (3.12%)		
377,150	Goodman Group (Australia) [2]	8,533,881	8,502,702
551,300	Prologis, Inc.	59,963,360	57,952,656
		68,497,241	66,455,358
	Multi-Family Residential REITs (1.94%)		
413,352	Equity Residential	24,613,278	27,897,126
760,411	Independence Realty Trust, Inc.	15,814,760	13,451,671
		40,428,038	41,348,797
	Office REITs (3.96%)		
452,700	BXP, Inc.	32,477,525	30,543,669
1,408,300	Vornado Realty Trust	47,317,115	53,853,392
		79,794,640	84,397,061
	Other Specialized REITs (0.23%)		
168,824	Millrose Properties, Inc., Cl A	1,867,193	4,813,172
	Real Estate Services (15.46%)		
837,850	CBRE Group, Inc., Cl A [1]	74,025,703	117,399,542
1,016,713	CoStar Group, Inc. [1]	61,177,581	81,743,725
510,242	Jones Lang LaSalle, Inc. [1]	104,827,910	130,509,699
		240,031,194	329,652,966
	Retail REITs (2.64%)		
2,014,014	The Macerich Co.	33,537,785	32,586,747
148,150	Simon Property Group, Inc.	23,879,080	23,816,594
		57,416,865	56,403,341
	Single-Family Residential REITs (1.22%)		
724,543	American Homes 4 Rent, Cl A	26,533,487	26,134,266
	Telecom Tower REITs (4.28%)		
412,750	American Tower Corp.	79,169,225	91,226,005
Total Real Estate		756,493,165	940,358,128
Total Common Stocks		1,663,134,652	2,081,250,973

Baron Real Estate Fund (continued)

Principal Amount		Cost	Value
Short-Term Investments (2.28%)			
$ 48,591,447	Repurchase Agreement with Fixed Income Clearing Corp., dated 6/30/2025, 3.85% due 7/1/2025; Proceeds at maturity $48,596,643; (Fully Collateralized by $48,027,600 U.S. Treasury Note, 4.375% due 7/15/2027 Market value - $49,563,405)	$ 48,591,447	$ 48,591,447
Total Investments (99.87%)		**$ 1,711,726,099**	**2,129,842,420**
Cash and Other Assets Less Liabilities (0.13%)			**2,738,064**
Net Assets			**$ 2,132,580,484**

% Represents percentage of net assets.
[1] Non-income producing securities.
[2] Foreign corporation.
[ADR] American Depositary Receipt.

Baron Emerging Markets Fund

Shares		Cost	Value
Common Stocks (98.36%)			
Argentina (0.89%)			
13,663	MercadoLibre, Inc.[1]	$ 24,869,030	$ 35,710,027
Brazil (4.50%)			
1,148,230	Afya Ltd., Cl A	24,128,933	20,507,388
4,042,274	Banco BTG Pactual SA	27,284,686	31,434,370
10,438,638	GPS Participacoes e Empreendimentos SA, 144A	28,029,645	30,375,820
1,250,828	Inter & Co., Inc. BDR	5,016,622	9,254,990
5,435,419	Localiza Rent a Car SA	34,897,905	40,537,295
392,504	Sigma Lithium Corp.[1]	4,527,806	1,766,268
1,424,420	Suzano SA	11,561,545	13,425,953
1,650,124	XP, Inc., Cl A	22,119,159	33,332,505
Total Brazil		157,566,301	180,634,589
China (26.38%)			
841,479	Alibaba Group Holding Limited, ADR	68,201,327	95,432,133
3,460,600	BYD Co. Ltd., Cl H	50,112,564	53,881,614
21,873,026	China Mengniu Dairy Co. Ltd.	39,928,857	45,085,099
2,345,344	Contemporary Amperex Technology Co. Ltd., Cl A	68,990,157	82,678,850
6,889,149	Full Truck Alliance Co. Ltd., ADR	50,147,652	81,360,850
2,305,948	Fuyao Glass Industry Group Co. Ltd., Cl A	13,703,827	18,343,251
3,367,248	Jiangsu Hengli Hydraulic Co. Ltd., Cl A	26,507,070	33,866,950
1,627,876	KE Holdings, Inc., ADR	37,092,358	28,878,520
38,114,127	Kingdee International Software Group Co. Ltd.[1]	28,434,841	75,331,887
328,829	Li Auto, Inc., ADR[1]	7,820,436	8,914,554
1,087,202	Meituan, Cl B, 144A[1]	15,057,662	17,488,771
1,774,615	Midea Group Co., Ltd., Cl A	10,839,012	17,888,063
9,974,377	NARI Technology Co. Ltd., Cl A	30,936,025	31,211,849
1,531,510	Pony AI, Inc., ADR[1]	20,555,620	20,215,932
9,159,395	SF Holding Co. Ltd., Cl H	43,099,971	52,817,574
2,827,572	Shenzhou International Group Holdings Ltd.	11,768,361	20,211,838
2,303,012	Tencent Holdings Limited	42,147,559	148,395,977
453,657	Tencent Holdings Limited, ADR	18,905,598	29,260,877
1,882,235	Tencent Music Entertainment Group, ADR	17,715,173	36,684,760
4,350,044	Wuxi Biologics Cayman, Inc., 144A[1]	11,231,192	14,293,825
400,063	XPeng, Inc., ADR[1]	5,641,399	7,153,127
803,120	XPeng, Inc., Cl A[1]	5,765,228	7,189,236
1,355,698	Zai Lab Limited, ADR[1]	28,552,706	47,408,759
12,750,373	Zhejiang Sanhua Intelligent Controls Co. Ltd.[1]	42,170,690	40,850,181
9,353,385	Zhejiang Shuanghuan Driveline Co. Ltd., Cl A	43,063,140	43,724,706
Total China		738,388,425	1,058,569,183
Greece (0.83%)			
4,812,972	Piraeus Financial Holdings SA	27,993,426	33,343,228

Shares		Cost	Value
Common Stocks (continued)			
India (28.31%)			
8,415,270	Bajaj Finance Limited	$ 48,667,203	$ 91,906,130
3,864,120	Bharti Airtel Ltd.	27,420,230	90,590,662
1,015,726	Bharti Airtel Ltd. PP	3,315,215	18,136,113
1,319,536	Cholamandalam Investment & Finance Co. Ltd.	20,718,858	25,069,568
737,958	Cummins India Ltd.	29,490,296	29,267,831
6,911,023	DCW Ltd.[1]	7,808,618	6,762,516
9,093,080	Eternal Ltd. (formerly, Zomato Ltd.)[1]	27,462,713	28,004,833
2,666,405	Godrej Consumer Products Ltd.	30,334,819	36,643,068
899,497	Godrej Properties Ltd.[1]	16,677,089	24,595,575
1,214,269	HDFC Bank Ltd.	19,923,452	28,347,666
10,840,876	Indus Towers Ltd.[1]	31,145,055	53,171,674
917,441	InterGlobe Aviation Ltd., 144A[1]	40,345,352	63,986,068
7,296,426	Jio Financial Services Ltd.[1]	17,306,270	27,832,311
26,414,053	JM Financial Limited	30,201,837	49,100,913
670,836	Kaynes Technology India Ltd.[1]	24,877,927	47,755,602
1,236,808	Kotak Mahindra Bank Ltd.	28,519,906	31,203,483
612,129	Mahindra & Mahindra Ltd.	11,318,866	22,720,516
3,635,641	Max Healthcare Institute Ltd.	33,722,071	54,093,726
4,494,769	Nippon Life India Asset Management Ltd., 144A	14,396,975	41,949,970
280,232	Nuvama Wealth Management Ltd.	10,473,741	26,925,668
11,710,476	Power Grid Corp. of India Ltd.	44,567,030	40,929,828
3,369,658	Reliance Industries Limited	27,666,537	58,979,847
2,212,497	SBI Life Insurance Company Limited, 144A	22,832,680	47,428,322
536,293	SRF Ltd.	16,954,083	20,280,547
14,689,512	Swiggy Ltd.[1]	70,424,819	68,586,047
1,348,467	Tata Communications Ltd.	6,884,597	26,586,976
1,565,526	Tata Consumer Products Ltd.	5,454,321	20,066,286
755,981	Trent Ltd.	21,401,577	54,805,878
Total India		690,312,137	1,135,727,624
Korea, Republic of (16.28%)			
2,191,417	Coupang, Inc.[1]	26,411,485	65,654,853
862,819	Doosan Enerbility Co. Ltd.[1]	17,639,395	43,713,071
932,602	Hanwha Systems Co. Ltd.	15,329,831	40,006,557
239,855	HD Hyundai Heavy Industries Co. Ltd.	12,568,821	75,706,607
546,258	HD Korea Shipbuilding & Offshore Engineering Co. Ltd.	46,113,026	147,511,947
503,837	HPSP Co. Ltd.	11,214,943	10,313,680
257,707	Hyundai Glovis Co. Ltd.	24,600,741	25,657,470
638,101	ISC Co. Ltd.	24,430,937	28,156,863
740,273	Korea Aerospace Industries Ltd.	26,141,561	49,160,112
126,656	Park Systems Corp.	16,526,273	26,677,081
36,424	Samsung Biologics Co. Ltd., 144A[1]	28,145,865	26,728,572
1,123,474	Samsung Electronics Co., Ltd.	26,132,359	49,681,822
298,560	SK Hynix, Inc.	38,749,455	64,334,171
Total Korea, Republic of		314,004,692	653,302,806

Baron Emerging Markets Fund (continued)

Shares		Cost	Value
Common Stocks (continued)			
Mexico (1.03%)			
6,849,407	Grupo Mexico S.A.B. de C.V., Series B	$ 16,669,813	$ 41,338,450
Peru (1.80%)			
322,979	Credicorp, Ltd.	43,956,122	72,192,266
Philippines (1.06%)			
15,646,730	BDO Unibank, Inc.	25,990,397	42,442,812
Poland (2.15%)			
192,432	Dino Polska SA, 144A[1]	16,627,271	28,120,572
3,488,280	InPost SA[1]	36,115,279	58,050,935
Total Poland		52,742,550	86,171,507
Russia (0.00%)^			
17,949,100	Sberbank of Russia PJSC[1,2]	64,430,586	13,290
South Africa (1.04%)			
170,787	Gold Fields Ltd.	1,455,891	4,044,183
511,519	Gold Fields Ltd., ADR	4,100,096	12,107,655
81,792	Naspers Ltd., Cl N	11,539,353	25,520,201
Total South Africa		17,095,340	41,672,039
Spain (0.46%)			
2,176,630	Codere Online Luxembourg, S.A. Private Shares[1]	18,185,897	18,479,589
Taiwan (13.16%)			
141,970	ASPEED Technology, Inc.	15,466,904	23,087,744
1,502,692	Chroma ATE, Inc.	15,198,367	22,752,043
4,170,581	Delta Electronics, Inc.	14,962,095	59,017,673
3,909,662	E Ink Holdings, Inc.	32,352,612	29,591,582
272,705	eMemory Technology, Inc.	21,805,666	22,077,202
9,796,720	Taiwan Semiconductor Manufacturing Co., Ltd.	182,950,446	358,259,652
58,756	Taiwan Semiconductor Manufacturing Co., Ltd., ADR	1,025,187	13,307,647
Total Taiwan		283,761,277	528,093,543
United Arab Emirates (0.47%)			
51,674,168	Talabat Holding PLC	22,509,541	18,840,824
Total Common Stocks		**2,498,475,534**	**3,946,531,777**
Private Common Stocks (1.09%)			
India (1.09%)			
13,643,347	Pine Labs Limited (formerly, Pine Labs PTE. Ltd)[1,2]	**39,999,997**	**43,862,747**
Private Convertible Preferred Stocks (0.00%)^			
India (0.00%)^			
15,334	Think & Learn Private Limited, Series F[1,2]	**49,776,072**	**73,410**
Warrants (0.00%)^			
Spain (0.00%)^			
13,259	Codere Online Luxembourg S.A. Private Shares Exp. 11/30/2026 exercise price USD 11.50 [1]	**0**	**13,524**

Principal Amount		Cost	Value
Short-Term Investments (1.54%)			
$ 61,643,451	Repurchase Agreement with Fixed Income Clearing Corp., dated 6/30/2025, 3.85% due 7/1/2025; Proceeds at maturity $61,650,043; (Fully Collateralized by $1,738,900 U.S. Treasury Note, 2.75% due 7/31/2027 Market value - $1,723,734 and $59,257,800 U.S. Treasury Note, 4.375% due 7/15/2027 Market value - $61,152,691)	**$ 61,643,451**	**$ 61,643,451**
Total Investments (100.99%)		**$ 2,649,895,054**	**4,052,124,909**
Liabilities Less Cash and Other Assets (-0.99%)			**(39,882,421)**
Net Assets			**$ 4,012,242,488**

% Represents percentage of net assets.
[1] Non-income producing securities.
[2] At June 30, 2025, the market value of restricted securities, excluding Rule 144A securities as separately described below, amounted to $43,949,447 or 1.10% 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 June 30, 2025, the market value of Rule 144A securities amounted to $270,371,920 or 6.74% of net assets.

Summary of Investments by Sector as of June 30, 2025	Percentage of Net Assets (%)
Industrials	23.1
Information Technology	21.2
Consumer Discretionary	16.2
Financials	15.8
Communication Services	10.0
Health Care	3.6
Consumer Staples	3.2
Materials	2.5
Energy	1.5
Real Estate	1.3
Utilities	1.0
Cash and Cash Equivalents*	0.5
Total	**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

Shares		Cost	Value
Common Stocks (88.74%)			
Argentina (10.45%)			
58,919	Globant S.A.[1]	$ 3,752,224	$ 5,352,202
22,871	MercadoLibre, Inc.[1]	11,646,784	59,776,332
Total Argentina		15,399,008	65,128,534
Brazil (3.24%)			
416,760	Afya Ltd., Cl A	7,447,704	7,443,333
931,576	NU Holdings Ltd., Cl A[1]	11,214,177	12,781,223
Total Brazil		18,661,881	20,224,556
Canada (8.64%)			
466,699	Shopify, Inc., Cl A[1]	16,728,256	53,833,730
China (2.56%)			
376,511	GDS Holdings Ltd., ADR[1]	4,277,225	11,509,941
42,316	PDD Holdings, Inc., ADR[1]	5,910,545	4,428,793
Total China		10,187,770	15,938,734
India (6.82%)			
2,031,490	Bajaj Finance Limited	11,299,075	22,186,619
6,607,712	Eternal Ltd. (formerly, Zomato Ltd.)[1]	10,977,766	20,350,406
Total India		22,276,841	42,537,025
Israel (2.86%)			
276,080	Fiverr International Ltd.[1]	6,081,198	8,097,426
61,339	Wix.com Ltd.[1]	5,079,561	9,719,778
Total Israel		11,160,759	17,817,204
Korea, Republic of (5.34%)			
1,112,089	Coupang, Inc.[1]	17,833,026	33,318,186
Netherlands (8.76%)			
8,934	Adyen N.V., 144A[1]	6,863,044	16,407,622
36,977	argenx SE, ADR[1]	1,716,518	20,382,462
22,216	ASML Holding N.V.	4,079,640	17,802,502
Total Netherlands		12,659,202	54,592,586
Poland (1.84%)			
689,857	InPost SA[1]	7,702,339	11,480,398
Spain (1.64%)			
827,902	Codere Online Luxembourg S.A.[1]	7,576,156	7,028,888
375,992	Codere Online Luxembourg, S.A. Private Shares[1]	2,714,710	3,192,172
Total Spain		10,290,866	10,221,060
Taiwan (2.51%)			
69,095	Taiwan Semiconductor Manufacturing Co., Ltd., ADR	12,633,060	15,649,327
United Kingdom (1.19%)			
485,666	Endava plc, ADR[1]	18,276,569	7,440,403

Shares		Cost	Value
Common Stocks (continued)			
United States (32.89%)			
34,207	Bill Holdings, Inc.[1]	$ 1,296,120	$ 1,582,416
174,531	Block, Inc.[1]	13,587,006	11,855,891
131,822	Cloudflare, Inc., Cl A[1]	2,718,724	25,814,702
16,812	Crowdstrike Holdings, Inc., Cl A[1]	832,835	8,562,520
155,204	Datadog, Inc., Cl A[1]	5,969,200	20,848,553
154	GRAIL, Inc.[1]	7,341	7,919
92,028	Illumina, Inc.[1]	9,839,166	8,780,391
1,423,030	indie Semiconductor, Inc., Cl A[1]	8,017,750	5,065,987
102,299	Loar Holdings, Inc.[1]	8,497,547	8,815,105
356,883	NVIDIA Corp.	6,728,358	56,383,945
76,958	SailPoint, Inc.[1]	1,770,034	1,759,260
30,984	ServiceTitan, Inc., Cl A[1]	2,377,019	3,320,865
95,516	Snowflake, Inc., Cl A[1]	11,461,920	21,373,615
27,899	Tesla, Inc.[1]	6,610,652	8,862,396
74,811	Viking Therapeutics, Inc.[1]	4,953,838	1,982,492
63,729	Zscaler, Inc.[1]	2,792,273	20,007,082
Total United States		87,459,783	205,023,139
Total Common Stocks		**261,269,360**	**553,204,882**
Private Common Stocks (9.80%)			
United States (9.80%)			
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**	**44,049**
Private Preferred Stocks (0.07%)			
United States (0.07%)			
461,004	GM Cruise Holdings LLC, Cl G[1,2]	**12,147,455**	**461,004**
Warrants (0.09%)			
Israel (0.01%)			
228,748	Taboola.com Ltd., Exp. 12/31/2027 exercise price USD 11.50[1]	417,099	47,968
Spain (0.08%)			
498,034	Codere Online Luxembourg S.A. Exp. 11/30/2026 exercise price USD 11.50[1]	845,632	507,995
4,326	Codere Online Luxembourg S.A. Private Shares Exp. 11/30/2026 exercise price USD 11.50[1]	0	4,412
Total Spain		845,632	512,407
Total Warrants		**1,262,731**	**560,375**

Baron Global Advantage Fund (continued)

Principal Amount		Cost	Value
Short-Term Investments (1.72%)			
$ 10,734,832	Repurchase Agreement with Fixed Income Clearing Corp., dated 6/30/2025, 3.85% due 7/1/2025; Proceeds at maturity $10,735,980; (Fully Collateralized by $11,045,900 U.S. Treasury Note, 2.75% due 7/31/2027 Market value - $10,949,584)	$ 10,734,832	$ 10,734,832
Total Investments (100.43%)		**$ 342,531,618**	**626,127,998**
Liabilities Less Cash and Other Assets (-0.43%)			**(2,708,748)**
Net Assets			**$ 623,419,250**

% Represents percentage of net assets.

[1] Non-income producing securities.

[2] At June 30, 2025, the market value of restricted securities, excluding Rule 144A securities as separately described below, amounted to $61,627,909 or 9.89% 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 June 30, 2025, the market value of Rule 144A securities amounted to $16,407,622 or 2.63% of net assets.

Summary of Investments by Sector as of June 30, 2025	Percentage of Net Assets (%)
Information Technology	45.9
Consumer Discretionary	23.3
Industrials	14.3
Financials	10.1
Health Care	5.0
Materials	0.1
Communication Services	0.0^
Cash and Cash Equivalents*	1.3
Total	**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

Shares		Cost	Value
Common Stocks (91.10%)			
Communication Services (4.08%)			
	Movies & Entertainment (4.08%)		
185,000	Liberty Media Corporation-Liberty Formula One, Cl A [1]	$ 5,408,362	$ 17,567,600
700,000	Liberty Media Corporation-Liberty Live Cl C [1]	24,701,179	56,812,000
Total Communication Services		30,109,541	74,379,600
Consumer Discretionary (13.26%)			
	Apparel, Accessories & Luxury Goods (1.00%)		
1,500,000	Brunello Cucinelli SpA, ADR [2]	15,407,115	18,210,443
	Casinos & Gaming (5.83%)		
1,350,000	DraftKings, Inc., Cl A [1]	27,587,745	57,901,500
300,000	Red Rock Resorts, Inc., Cl A	9,685,392	15,609,000
350,000	Wynn Resorts Ltd.	26,407,091	32,784,500
		63,680,228	106,295,000
	Footwear (1.00%)		
350,000	On Holding AG, Cl A [1,2]	7,945,300	18,217,500
	Home Improvement Retail (1.25%)		
300,000	Floor & Decor Holdings, Inc., Cl A [1]	9,074,454	22,788,000
	Restaurants (4.18%)		
200,000	Texas Roadhouse, Inc.	17,901,519	37,482,000
115,000	Wingstop, Inc.	27,352,161	38,725,100
		45,253,680	76,207,100
Total Consumer Discretionary		141,360,777	241,718,043
Financials (4.15%)			
	Insurance Brokers (1.51%)		
785,000	TWFG, Inc. [1]	16,660,641	27,475,000
	Property & Casualty Insurance (2.64%)		
550,000	Ategrity Specialty Insurance Company Holdings [1]	9,452,264	11,836,000
75,000	Kinsale Capital Group, Inc.	3,355,498	36,292,500
		12,807,762	48,128,500
Total Financials		29,468,403	75,603,500
Health Care (17.80%)			
	Biotechnology (0.59%)		
163,217	Arcellx, Inc. [1]	10,919,478	10,747,840
	Health Care Equipment (5.72%)		
224,000	Inspire Medical Systems, Inc. [1]	41,691,816	29,068,480
246,000	Integer Holdings Corp. [1]	29,881,743	30,250,620
267,000	Masimo Corp. [1]	36,952,018	44,914,740
		108,525,577	104,233,840
	Health Care Supplies (1.60%)		
683,302	Establishment Labs Holdings, Inc. [1,2]	34,613,067	29,183,828

Shares		Cost	Value
Common Stocks (continued)			
Health Care (continued)			
	Life Sciences Tools & Services (9.89%)		
1,820,437	CareDx, Inc. [1,4]	$ 22,142,672	$ 35,571,339
1,132,600	Exact Sciences Corp. [1,4]	54,495,003	60,186,364
206,053	Repligen Corp. [1]	30,907,317	25,628,872
1,281,429	Stevanato Group SpA [2]	32,667,703	31,305,310
151,139	Tempus AI, Inc., Cl A [1]	4,329,524	9,603,372
668,790	Veracyte, Inc. [1,4]	17,030,107	18,077,394
		161,572,326	180,372,651
Total Health Care		315,630,448	324,538,159
Industrials (19.68%)			
	Aerospace & Defense (10.37%)		
913,109	Karman Holdings, Inc. [1]	25,983,101	45,993,300
1,407,158	Kratos Defense & Security Solutions, Inc. [1]	16,499,474	65,362,489
327,000	Loar Holdings, Inc. [1]	20,780,364	28,177,590
920,380	Mercury Systems, Inc. [1]	33,144,240	49,571,667
		96,407,179	189,105,046
	Building Products (1.04%)		
350,000	Trex Co., Inc. [1]	16,554,899	19,033,000
	Environmental & Facilities Services (2.48%)		
2,063,493	Montrose Environmental Group, Inc. [1,3]	43,484,066	45,169,862
	Industrial Machinery & Supplies & Components (3.80%)		
200,000	Chart Industries, Inc. [1]	26,265,365	32,930,000
375,000	Enerpac Tool Group Corp.	14,358,665	15,210,000
55,000	RBC Bearings, Inc. [1]	11,183,890	21,164,000
		51,807,920	69,304,000
	Trading Companies & Distributors (1.99%)		
300,000	SiteOne Landscape Supply, Inc. [1]	26,536,239	36,282,000
Total Industrials		234,790,303	358,893,908
Information Technology (31.16%)			
	Application Software (13.19%)		
1,150,000	Alkami Technology, Inc. [1]	27,106,934	34,661,000
1,250,000	Clearwater Analytics Holdings, Inc., Cl A [1]	21,105,563	27,412,500
696,171	Gitlab, Inc., Cl A [1,4]	26,672,136	31,404,274
235,357	Guidewire Software, Inc. [1]	18,259,547	55,414,805
550,000	Intapp, Inc. [1]	21,877,328	28,391,000
375,000	Procore Technologies, Inc. [1]	24,508,547	25,657,500
350,000	ServiceTitan, Inc., Cl A [1]	32,982,419	37,513,000
		172,512,474	240,454,079
	Electronic Equipment & Instruments (6.31%)		
275,321	Advanced Energy Industries, Inc.	17,644,532	36,480,032
232,550	Novanta, Inc. [1,2]	27,085,649	29,982,672
700,000	PAR Technology Corp. [1]	21,961,338	48,559,000
		66,691,519	115,021,704

Baron Discovery Fund (continued)

Shares		Cost	Value
Common Stocks (continued)			
Information Technology (continued)			
	Semiconductor Materials & Equipment (0.57%)		
38,129	Nova Ltd. [1,2]	$ 859,008	$ 10,493,101
	Semiconductors (2.82%)		
8,518,882	indie Semiconductor, Inc., Cl A [1]	44,474,634	30,327,220
98,600	SiTime Corp. [1]	12,723,559	21,009,688
		57,198,193	51,336,908
	Systems Software (8.27%)		
130,200	CyberArk Software Ltd. [1,2]	16,265,834	52,975,776
760,775	Dynatrace, Inc. [1,4]	24,396,261	42,002,388
1,775,000	SentinelOne, Inc., Cl A [1]	29,985,343	32,447,000
461,000	Varonis Systems, Inc. [1]	9,834,763	23,395,750
		80,482,201	150,820,914
Total Information Technology		377,743,395	568,126,706
Real Estate (0.97%)			
	Multi-Family Residential REITs (0.97%)		
1,000,000	Independence Realty Trust, Inc.	20,056,917	17,690,000
Total Common Stocks		1,149,159,784	1,660,949,916

Principal Amount		Cost	Value
Short-Term Investments (7.25%)			
$132,060,325	Repurchase Agreement with Fixed Income Clearing Corp., dated 6/30/2025, 3.85% due 7/1/2025; Proceeds at maturity $132,074,448; (Fully Collateralized by $130,527,800 U.S. Treasury Note, 4.375% due 7/15/2027 Market value - $134,701,638)	$ 132,060,325	$ 132,060,325
Total Investments (98.35%)		$ 1,281,220,109	1,793,010,241
Cash and Other Assets Less Liabilities (1.65%)			30,171,400
Net Assets			$ 1,823,181,641

% 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

Shares		Cost	Value
Common Stocks (99.30%)			
Communication Services (12.28%)			
	Interactive Media & Services (12.28%)		
116,092	Alphabet, Inc., Cl C	$ 15,513,532	$ 20,593,560
57,053	Meta Platforms Inc., Cl A	17,492,254	42,110,249
Total Communication Services		33,005,786	62,703,809
Consumer Discretionary (8.65%)			
	Broadline Retail (6.96%)		
161,969	Amazon.com, Inc. [1]	23,545,746	35,534,379
	Restaurants (1.69%)		
46,001	Texas Roadhouse, Inc.	7,914,962	8,621,047
Total Consumer Discretionary		31,460,708	44,155,426
Consumer Staples (1.23%)			
	Consumer Staples Merchandise Retail (1.23%)		
6,349	Costco Wholesale Corp.	3,325,828	6,285,129
Financials (32.24%)			
	Asset Management & Custody Banks (5.84%)		
94,599	Blackstone, Inc.	10,776,992	14,150,119
253,265	Brookfield Corp., Cl A [2]	9,805,361	15,664,440
		20,582,353	29,814,559
	Diversified Financial Services (3.11%)		
111,830	Apollo Global Management, Inc.	11,700,402	15,865,322
	Financial Exchanges & Data (11.23%)		
41,429	CME Group, Inc.	9,296,111	11,418,661
32,029	Moody's Corp.	11,398,217	16,065,426
16,256	MSCI, Inc.	7,988,861	9,375,486
38,811	S&P Global, Inc.	15,626,793	20,464,652
		44,309,982	57,324,225
	Investment Banking & Brokerage (3.49%)		
47,584	LPL Financial Holdings, Inc.	12,563,197	17,842,572
	Property & Casualty Insurance (1.57%)		
88,182	Arch Capital Group Ltd. [1,2]	5,523,457	8,028,971
	Transaction & Payment Processing Services (7.00%)		
24,121	Mastercard, Incorporated, Cl A	9,801,507	13,554,555
62,415	Visa, Inc., Cl A	15,919,404	22,160,446
		25,720,911	35,715,001
Total Financials		120,400,302	164,590,650
Health Care (4.82%)			
	Life Sciences Tools & Services (4.82%)		
49,136	Danaher Corp.	11,105,723	9,706,326
4,318	Mettler-Toledo International, Inc. [1]	5,274,877	5,072,441
24,266	Thermo Fisher Scientific, Inc.	12,344,889	9,838,892
Total Health Care		28,725,489	24,617,659

Shares		Cost	Value
Common Stocks (continued)			
Industrials (5.57%)			
	Aerospace & Defense (5.57%)		
63,732	HEICO Corp., Cl A	$ 9,083,174	$ 16,490,655
7,844	TransDigm Group, Inc. [1]	10,805,327	11,927,900
Total Industrials		19,888,501	28,418,555
Information Technology (30.79%)			
	Application Software (3.13%)		
20,283	Intuit, Inc.	10,951,779	15,975,499
	Electronic Components (1.07%)		
55,623	Amphenol Corp., Cl A	3,538,949	5,492,771
	Semiconductors (21.20%)		
102,986	Broadcom, Inc.	13,807,221	28,388,091
24,555	Monolithic Power Systems, Inc.	13,272,290	17,959,036
228,416	NVIDIA Corp.	12,523,204	36,087,444
113,945	Taiwan Semiconductor Manufacturing Co., Ltd., ADR [2]	15,262,651	25,807,403
		54,865,366	108,241,974
	Systems Software (5.39%)		
55,304	Microsoft Corporation	17,392,273	27,508,763
Total Information Technology		86,748,367	157,219,007
Real Estate (3.72%)			
	Health Care REITs (1.77%)		
58,760	Welltower, Inc.	7,762,320	9,033,175
	Real Estate Services (1.95%)		
124,189	CoStar Group, Inc. [1]	10,849,188	9,984,795
Total Real Estate		18,611,508	19,017,970
Total Common Stocks		**342,166,489**	**507,008,205**
Principal Amount			
Short-Term Investments (0.62%)			
$ 3,141,355	Repurchase Agreement with Fixed Income Clearing Corp., dated 6/30/2025, 3.85% due 7/1/2025; Proceeds at maturity $3,141,691; (Fully Collateralized by $3,104,900 U.S. Treasury Note, 4.375% due 7/15/2027 Market value - $3,204,183)	**3,141,355**	**3,141,355**
Total Investments (99.92%)		**$ 345,307,844**	**510,149,560**
Cash and Other Assets Less Liabilities (0.08%)			**412,156**
Net Assets			**$ 510,561,716**

% Represents percentage of net assets.
[1] Non-income producing securities.
[2] Foreign corporation.
[ADR] American Depositary Receipt.

Baron Real Estate Income Fund

Shares		Cost	Value
Common Stocks (97.33%)			
Consumer Discretionary (5.46%)			
	Casinos & Gaming (2.46%)		
14,499	Las Vegas Sands Corp.	$ 525,425	$ 630,851
56,233	Wynn Resorts Ltd.	4,376,967	5,267,345
		4,902,392	5,898,196
	Homebuilding (1.54%)		
32,315	Toll Brothers, Inc.	3,312,197	3,688,111
	Leisure Facilities (1.46%)		
22,284	Vail Resorts, Inc.	3,222,244	3,501,485
Total Consumer Discretionary		11,436,833	13,087,792
Financials (8.17%)			
	Asset Management & Custody Banks (6.26%)		
21,607	Blackstone, Inc.	2,769,562	3,231,975
145,497	Brookfield Corp. [2]	6,752,437	8,998,989
50,239	Brookfield Asset Management Ltd., Cl A [2]	1,629,003	2,777,212
		11,151,002	15,008,176
	Mortgage REITs (1.91%)		
237,926	Blackstone Mortgage Trust, Inc., Cl A	4,597,170	4,580,076
Total Financials		15,748,172	19,588,252
Information Technology (1.92%)			
	Internet Services & Infrastructure (1.92%)		
150,987	GDS Holdings Ltd., ADR [1,2]	2,077,323	4,615,673
Materials (1.79%)			
	Construction Materials (1.79%)		
46,730	CRH PLC [2]	4,631,196	4,289,814
Real Estate (79.99%)			
	Data Center REITs (10.04%)		
42,766	Digital Realty Trust, Inc.	6,101,454	7,455,397
20,900	Equinix, Inc.	16,310,484	16,625,323
		22,411,938	24,080,720
	Health Care REITs (13.57%)		
131,675	American Healthcare REIT, Inc.	3,719,697	4,837,740
90,610	Ventas, Inc.	4,502,988	5,722,021
143,036	Welltower, Inc.	12,767,125	21,988,924
		20,989,810	32,548,685
	Hotel & Resort REITs (2.46%)		
383,455	Host Hotels & Resorts, Inc.	5,593,396	5,889,869
	Industrial REITs (12.67%)		
56,445	EastGroup Properties, Inc. [3]	9,452,304	9,433,088
115,675	Goodman Group (Australia) [2]	2,531,953	2,607,849
153,169	Prologis, Inc.	16,946,465	16,101,125
39,832	Terreno Realty Corp.	2,288,294	2,233,380
		31,219,016	30,375,442
	Multi-Family Residential REITs (6.71%)		
156,575	Elme Communities	2,517,018	2,489,543
104,133	Equity Residential	6,432,666	7,027,936
235,790	Independence Realty Trust, Inc.	4,105,354	4,171,125
58,660	UDR, Inc.	2,425,393	2,395,088
		15,480,431	16,083,692

Shares		Cost	Value
Common Stocks (continued)			
Real Estate (continued)			
	Office REITs (5.13%)		
73,608	BXP, Inc.	$ 5,195,798	$ 4,966,332
192,020	Vornado Realty Trust	6,559,019	7,342,845
		11,754,817	12,309,177
	Other Specialized REITs (5.19%)		
70,713	Iron Mountain, Inc.	6,459,988	7,253,032
159,441	VICI Properties, Inc.	4,953,595	5,197,777
		11,413,583	12,450,809
	Retail REITs (7.07%)		
42,697	Agree Realty Corp.	2,910,353	3,119,443
263,282	The Macerich Co.	3,981,849	4,259,903
59,520	Simon Property Group, Inc.	9,372,439	9,568,435
		16,264,641	16,947,781
	Self Storage REITs (3.61%)		
239,100	Smartstop Self Storage REIT, Inc.	7,476,698	8,662,593
	Single-Family Residential REITs (3.64%)		
98,224	American Homes 4 Rent, Cl A	3,323,216	3,542,940
158,035	Invitation Homes, Inc.	5,353,103	5,183,548
		8,676,319	8,726,488
	Telecom Tower REITs (9.90%)		
97,677	American Tower Corp.	19,372,334	21,588,570
9,100	SBA Communications Corp.	1,972,498	2,137,044
		21,344,832	23,725,614
Total Real Estate		172,625,481	191,800,870
Total Common Stocks		**206,519,005**	**233,382,401**

Principal Amount		Cost	Value
Short-Term Investments (2.20%)			
$ 5,281,365	Repurchase Agreement with Fixed Income Clearing Corp., dated 6/30/2025, 3.85% due 7/1/2025; Proceeds at maturity $5,281,930; (Fully Collateralized by $5,220,100 U.S. Treasury Note, 4.375% due 7/15/2027 Market value - $5,387,046)	**5,281,365**	**5,281,365**
Total Investments (99.53%)		**$ 211,800,370**	**238,663,766**
Cash and Other Assets Less Liabilities (0.47%)			**1,121,896**
Net Assets			**$ 239,785,662**

% Represents percentage of net assets.
[1] Non-income producing securities.
[2] Foreign corporation.
[ADR] American Depositary Receipt.

Baron WealthBuilder Fund

Shares		Cost	Value
Affiliated Mutual Funds (100.03%)			
Small Cap Funds (31.28%)			
769,228	Baron Discovery Fund - Institutional Shares	$ 18,650,783	$ 26,976,832
790,989	Baron Growth Fund - Institutional Shares	72,933,709	73,008,304
2,139,037	Baron Small Cap Fund - Institutional Shares	68,756,839	70,994,650
Total Small Cap Funds		160,341,331	170,979,786
Small/Mid Cap Funds (7.13%)			
758,881	Baron Focused Growth Fund - Institutional Shares	22,973,577	38,968,516
Mid Cap Funds (9.95%)			
528,747	Baron Asset Fund - Institutional Shares	46,802,863	54,355,222
Large Cap Funds (8.70%)			
734,896	Baron Durable Advantage Fund - Institutional Shares	12,408,859	22,612,757
389,229	Baron Fifth Avenue Growth Fund - Institutional Shares	12,311,271	24,961,246
Total Large Cap Funds		24,720,130	47,574,003
All Cap Funds (19.40%)			
457,655	Baron Opportunity Fund - Institutional Shares	10,411,173	25,065,744
397,791	Baron Partners Fund - Institutional Shares	31,143,223	80,990,319
Total All Cap Funds		41,554,396	106,056,063
Non-U.S./Global Funds (10.36%)			
890,441	Baron Emerging Markets Fund - Institutional Shares	12,193,793	15,885,463
536,615	Baron Global Advantage Fund - Institutional Shares	14,176,242	23,745,194
537,617	Baron International Growth Fund - Institutional Shares	13,811,934	16,988,691
Total Non-U.S./Global Funds		40,181,969	56,619,348
Sector Funds (13.21%)			
731,647	Baron FinTech Fund - Institutional Shares	9,525,078	13,813,502
775,854	Baron Health Care Fund - Institutional Shares	13,595,125	13,825,723
821,290	Baron Real Estate Fund - Institutional Shares	26,665,468	31,800,351
777,142	Baron Real Estate Income Fund - Institutional Shares	12,131,489	12,760,678
Total Sector Funds		61,917,160	72,200,254
Total Affiliated Mutual Funds (100.03%)		**$ 398,491,426**	**546,753,192**
Liabilities Less Cash and Other Assets (-0.03%)			**(150,383)**
Net Assets			**$ 546,602,809**

% Represents percentage of net assets.

Baron Health Care Fund

Shares		Cost	Value
Common Stocks (93.78%)			
Health Care (93.78%)			
	Biotechnology (20.33%)		
60,000	Arcellx, Inc. [1]	$ 2,374,307	$ 3,951,000
22,000	argenx SE, ADR [1,2]	7,410,488	12,126,840
40,000	ARS Pharmaceuticals, Inc. [1]	705,639	698,000
4,500	BioNTech SE, ADR [1,2]	496,491	479,115
18,500	Gilead Sciences, Inc.	2,030,923	2,051,095
36,700	Insmed, Inc. [1]	2,611,125	3,693,488
9,000	Vertex Pharmaceuticals, Incorporated [1]	2,160,396	4,006,800
56,000	Xenon Pharmaceuticals, Inc. [1,2]	1,868,002	1,752,800
		19,657,371	28,759,138
	Health Care Distributors (3.37%)		
6,500	McKesson Corp.	4,177,288	4,763,070
	Health Care Equipment (28.63%)		
80,000	Boston Scientific Corp. [1]	4,127,990	8,592,800
7,500	DexCom, Inc. [1]	823,467	654,675
25,000	Edwards Lifesciences Corp. [1]	1,929,281	1,955,250
6,000	IDEXX Laboratories, Inc. [1]	2,349,368	3,218,040
8,500	Inspire Medical Systems, Inc. [1]	1,004,537	1,103,045
5,700	Insulet Corp. [1]	1,691,692	1,790,826
12,000	Intuitive Surgical, Inc. [1]	2,552,699	6,520,920
30,000	Masimo Corp. [1]	5,059,665	5,046,600
17,500	Penumbra, Inc. [1]	4,939,563	4,491,025
18,000	Stryker Corp.	5,153,712	7,121,340
		29,631,974	40,494,521
	Health Care Facilities (1.52%)		
17,500	Encompass Health Corp.	1,870,305	2,146,025
	Health Care Services (2.41%)		
60,000	RadNet, Inc. [1]	2,871,502	3,414,600
	Health Care Supplies (2.72%)		
54,000	The Cooper Companies, Inc. [1]	4,576,871	3,842,640
	Health Care Technology (0.65%)		
15,000	Doximity, Inc., Cl A [1]	784,749	920,100
	Life Sciences Tools & Services (14.61%)		
25,000	Danaher Corp.	5,588,965	4,938,500
45,000	Exact Sciences Corp. [1,3]	2,469,737	2,391,300
3,100	Mettler-Toledo International, Inc. [1]	3,318,320	3,641,632
7,500	Natera, Inc. [1,3]	494,567	1,267,050
6,500	Thermo Fisher Scientific, Inc.	2,608,098	2,635,490
14,000	Waters Corp. [1]	5,107,302	4,886,560
4,100	West Pharmaceutical Services, Inc.	1,098,966	897,080
		20,685,955	20,657,612

Shares		Cost	Value
Common Stocks (continued)			
Health Care (continued)			
	Managed Health Care (2.22%)		
30,000	HealthEquity, Inc. [1]	$ 2,828,022	$ 3,142,800
	Pharmaceuticals (17.32%)		
50,000	AstraZeneca PLC, ADR [2]	3,357,448	3,494,000
23,800	Eli Lilly & Co.	7,047,193	18,552,814
100,000	Teva Pharmaceutical Industries Ltd., ADR [1,2]	1,790,693	1,676,000
5,000	Zoetis, Inc.	678,575	779,750
		12,873,909	24,502,564
Total Common Stocks		**99,957,946**	**132,643,070**

Principal Amount		Cost	Value
Short-Term Investments (6.94%)			
$ 9,819,000	Repurchase Agreement with Fixed Income Clearing Corp., dated 6/30/2025, 3.85% due 7/1/2025; Proceeds at maturity $9,820,050; (Fully Collateralized by $9,705,100 U.S. Treasury Note, 4.375% due 7/15/2027 Market value - $10,015,484)	**9,819,000**	**9,819,000**
Total Investments (100.72%)		**$ 109,776,946**	**142,462,070**
Liabilities Less Cash and Other Assets (-0.72%)			**(1,023,544)**
Net Assets			**$ 141,438,526**

% 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

Shares		Cost	Value
Common Stocks (97.69%)			
Consumer Discretionary (4.65%)			
	Broadline Retail (4.65%)		
1,330	MercadoLibre, Inc. [1]	$ 1,958,953	$ 3,476,128
Financials (68.94%)			
	Asset Management & Custody Banks (4.78%)		
1,100	Blackrock, Inc.	810,567	1,154,175
18,200	KKR & Co., Inc.	2,061,144	2,421,146
		2,871,711	3,575,321
	Diversified Banks (2.38%)		
130,000	NU Holdings Ltd., Cl A [1,2]	1,062,143	1,783,600
	Diversified Financial Services (3.04%)		
16,000	Apollo Global Management, Inc.	1,143,487	2,269,920
	Financial Exchanges & Data (19.95%)		
7,000	CME Group, Inc.	1,560,980	1,929,340
3,000	FactSet Research Systems, Inc.	1,238,689	1,341,840
4,000	Moody's Corp.	1,417,488	2,006,360
5,200	Morningstar, Inc.	1,144,884	1,632,436
3,300	MSCI, Inc.	1,437,141	1,903,242
6,300	S&P Global, Inc.	2,470,145	3,321,927
19,000	Tradeweb Markets, Inc., Cl A	1,586,886	2,781,600
		10,856,213	14,916,745
	Insurance Brokers (1.27%)		
10,000	Baldwin Insurance Group, Inc. Cl A [1]	287,122	428,100
15,000	TWFG, Inc. [1]	259,710	525,000
		546,832	953,100
	Investment Banking & Brokerage (15.02%)		
10,000	Houlihan Lokey, Inc.	746,412	1,799,500
44,400	Interactive Brokers Group, Inc., Cl A	969,234	2,460,204
8,600	LPL Financial Holdings, Inc.	1,861,540	3,224,742
21,500	Robinhood Markets, Inc., Cl A [1]	1,051,345	2,013,045
19,000	The Charles Schwab Corp.	1,471,492	1,733,560
		6,100,023	11,231,051
	Life & Health Insurance (1.02%)		
2,800	Primerica, Inc.	728,583	766,276
	Property & Casualty Insurance (6.50%)		
16,000	Arch Capital Group Ltd. [1,2]	1,304,187	1,456,800
22,904	Ategrity Specialty Insurance Company Holdings [1]	391,331	492,894
1,600	Kinsale Capital Group, Inc.	270,056	774,240
8,000	The Progressive Corp.	930,133	2,134,880
		2,895,707	4,858,814

Shares		Cost	Value
Common Stocks (continued)			
Financials (continued)			
	Transaction & Payment Processing Services (14.98%)		
13,000	Block, Inc. [1]	$ 2,253,183	$ 883,090
5,000	Fiserv, Inc. [1]	500,386	862,050
6,000	Jack Henry & Associates, Inc.	999,875	1,081,020
5,750	Mastercard, Incorporated, Cl A	1,969,959	3,231,155
9,500	Visa, Inc., Cl A	1,987,631	3,372,975
124,000	Wise PLC, Cl A (United Kingdom) [1,2]	1,430,338	1,771,387
		9,141,372	11,201,677
Total Financials		35,346,071	51,556,504
Industrials (4.90%)			
	Research & Consulting Services (4.90%)		
3,300	Equifax, Inc.	737,813	855,921
10,000	TransUnion	965,895	880,000
6,200	Verisk Analytics, Inc.	1,183,525	1,931,300
Total Industrials		2,887,233	3,667,221
Information Technology (18.23%)			
	Application Software (15.92%)		
31,000	Alkami Technology, Inc. [1]	806,828	934,340
3,000	Bill Holdings, Inc. [1]	318,719	138,780
25,000	Clearwater Analytics Holdings, Inc., Cl A [1]	599,112	548,250
1,300	Fair Isaac Corp. [1]	561,914	2,376,348
13,300	Guidewire Software, Inc. [1]	1,487,144	3,131,485
15,500	Intapp, Inc. [1]	693,095	800,110
4,000	Intuit, Inc.	1,455,968	3,150,520
7,700	ServiceTitan, Inc., Cl A [1]	671,737	825,286
		6,594,517	11,905,119
	Internet Services & Infrastructure (1.85%)		
12,000	Shopify, Inc., Cl A [1,2]	1,691,746	1,384,200
	IT Consulting & Other Services (0.46%)		
500	Accenture plc, Cl A [2]	110,519	149,445
17,000	CI&T, Inc., Cl A [1,2]	244,692	101,490
1,000	Globant S.A. [1,2]	183,362	90,840
		538,573	341,775
Total Information Technology		8,824,836	13,631,094
Real Estate (0.97%)			
	Real Estate Services (0.97%)		
9,000	CoStar Group, Inc. [1]	771,264	723,600
Total Common Stocks		**49,788,357**	**73,054,547**

Baron FinTech Fund (continued)

Principal Amount		Cost	Value
Short-Term Investments (2.41%)			
$ 1,800,603	Repurchase Agreement with Fixed Income Clearing Corp., dated 6/30/2025, 3.85% due 7/1/2025; Proceeds at maturity $1,800,795; (Fully Collateralized by $1,779,800 U.S. Treasury Note, 4.375% due 7/15/2027 Market value - $1,836,808)	$ 1,800,603	$ 1,800,603
Total Investments (100.10%)		$ 51,588,960	74,855,150
Liabilities Less Cash and Other Assets (-0.10%)			(72,353)
Net Assets			$ 74,782,797

% Represents percentage of net assets.
[1] Non-income producing securities.
[2] Foreign corporation.

Baron India Fund

Shares		Cost	Value
Common Stocks (96.74%)			
Communication Services (11.25%)			
	Integrated Telecommunication Services (2.11%)		
40,122	Indus Towers Ltd. [1]	$ 133,586	$ 196,788
9,373	Tata Communications Ltd.	192,067	184,802
		325,653	381,590
	Movies & Entertainment (0.59%)		
13,657	Tips Music Ltd.	89,057	107,181
	Wireless Telecommunication Services (8.55%)		
86,625	Bharti Airtel Ltd. PP	1,153,426	1,546,717
Total Communication Services		1,568,136	2,035,488
Consumer Discretionary (10.27%)			
	Apparel Retail (3.45%)		
8,610	Trent Ltd.	417,085	624,194
	Apparel, Accessories & Luxury Goods (0.73%)		
3,072	Titan Co. Ltd. [1]	112,322	132,213
	Automobile Manufacturers (2.82%)		
13,767	Mahindra & Mahindra Ltd.	451,558	510,993
	Consumer Electronics (0.75%)		
774	Dixon Technologies India Ltd.	108,287	135,296
	Restaurants (2.52%)		
147,820	Eternal Ltd. (formerly, Zomato Ltd.) [1]	286,619	455,255
Total Consumer Discretionary		1,375,871	1,857,951
Consumer Staples (4.02%)			
	Packaged Foods & Meats (2.07%)		
29,179	Tata Consumer Products Ltd. [2]	355,854	374,005
	Personal Care Products (1.95%)		
25,715	Godrej Consumer Products Ltd.	356,484	353,388
Total Consumer Staples		712,338	727,393
Energy (4.75%)			
	Oil & Gas Refining & Marketing (4.75%)		
49,092	Reliance Industries Limited	816,268	859,268
Financials (29.70%)			
	Asset Management & Custody Banks (0.98%)		
12,735	360 ONE WAM Ltd.	126,435	177,435
	Consumer Finance (7.98%)		
78,119	Bajaj Finance Limited	702,208	853,165
31,146	Cholamandalam Investment & Finance Co. Ltd.	516,096	591,736
		1,218,304	1,444,901
	Diversified Banks (13.81%)		
36,706	HDFC Bank Ltd.	777,750	856,918
68,915	ICICI Bank Ltd.	1,076,877	1,164,646
18,957	Kotak Mahindra Bank Ltd.	429,897	478,267
		2,284,524	2,499,831

Shares		Cost	Value
Common Stocks (continued)			
Financials (continued)			
	Diversified Financial Services (2.94%)		
18,843	Bajaj Finserv Ltd.	$ 412,204	$ 451,737
20,817	Jio Financial Services Ltd. [1]	57,494	79,407
		469,698	531,144
	Investment Banking & Brokerage (0.86%)		
1,615	Nuvama Wealth Management Ltd.	117,694	155,175
	Life & Health Insurance (2.68%)		
22,616	SBI Life Insurance Company Limited, 144A	443,182	484,809
	Specialized Finance (0.45%)		
17,241	REC Ltd.	102,738	81,008
Total Financials		4,762,575	5,374,303
Health Care (11.22%)			
	Health Care Facilities (11.22%)		
75,747	Aster DM Healthcare Ltd., 144A	412,505	526,567
28,966	HealthCare Global Enterprises Ltd. [1]	182,883	185,997
88,552	Max Healthcare Institute Ltd.	1,139,963	1,317,541
Total Health Care		1,735,351	2,030,105
Industrials (13.64%)			
	Aerospace & Defense (2.53%)		
93,007	Bharat Electronics Ltd.	389,840	457,403
	Construction & Engineering (0.78%)		
104,865	GMR Power & Urban Infra Ltd. [1]	128,471	140,704
	Construction & Machinery & Heavy Trucks (0.92%)		
4,180	Cummins India Ltd.	155,323	165,781
	Electrical Components & Equipment (2.22%)		
183,316	Precision Wires India Ltd.	348,951	402,155
	Heavy Electrical Equipment (0.22%)		
1,134	Siemens Energy India Ltd. [1]	44,295	39,350
	Industrial Conglomerates (0.30%)		
1,442	Siemens Ltd.	54,441	54,681
	Industrial Machinery & Supplies & Components (1.90%)		
11,326	Kirloskar Oil Engines Ltd.	101,020	112,384
9,561	Shaily Engineering Plastics Ltd.	151,805	185,609
1,160	Thermax Ltd.	52,030	46,261
		304,855	344,254
	Passenger Airlines (4.77%)		
12,393	InterGlobe Aviation Ltd., 144A [1]	689,980	864,338
Total Industrials		2,116,156	2,468,666

Baron India Fund (continued)

Shares		Cost	Value
Common Stocks (continued)			
Information Technology (7.47%)			
	Electronic Components (2.16%)		
14,027	Centum Electronics Ltd.	$ 350,659	$ 392,300
	Electronic Manufacturing Services (1.23%)		
3,124	Kaynes Technology India Ltd. [1]	149,242	222,392
	IT Consulting & Other Services (4.08%)		
8,051	Coforge Ltd.	159,873	180,696
13,806	Tata Consultancy Services Ltd.	643,737	557,493
		803,610	738,189
Total Information Technology		1,303,511	1,352,881
Materials (0.97%)			
	Commodity Chemicals (0.48%)		
88,978	DCW Ltd. [1]	81,920	87,066
	Diversified Chemicals (0.49%)		
2,360	SRF Ltd.	76,223	89,246
Total Materials		158,143	176,312
Real Estate (0.95%)			
	Real Estate Development (0.95%)		
6,270	Godrej Properties Ltd. [1]	154,602	171,445
Utilities (2.50%)			
	Electric Utilities (2.50%)		
129,684	Power Grid Corp. of India Ltd.	465,991	453,264
Total Common Stocks		**15,168,942**	**17,507,076**

Principal Amount		Cost	Value
Short-Term Investments (5.62%)			
$ 1,016,960	Repurchase Agreement with Fixed Income Clearing Corp., dated 6/30/2025, 3.85% due 7/1/2025; Proceeds at maturity $1,017,069; (Fully Collateralized by $1,046,500 U.S. Treasury Note, 2.75% due 7/31/2027 Market value - $1,037,445)	**$ 1,016,960**	**$ 1,016,960**
Total Investments (102.36%)		**$ 16,185,902**	**18,524,036**
Liabilities Less Cash and Other Assets (-2.36%)			**(426,549)**
Net Assets			**$ 18,097,487**

% 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 June 30, 2025, the market value of Rule 144A securities amounted to $1,875,714 or 10.36% of net assets.

Baron Technology Fund

Shares		Cost	Value
Common Stocks (96.34%)			
Communication Services (11.32%)			
	Advertising (4.13%)		
70,000	MNTN, Inc., Cl A [1]	$ 1,120,000	$ 1,530,900
36,482	The Trade Desk, Inc., Cl A [1]	2,642,683	2,626,339
		3,762,683	4,157,239
	Interactive Media & Services (1.45%)		
9,697	Reddit, Inc., Cl A [1]	1,393,887	1,460,077
	Movies & Entertainment (5.74%)		
7,528	Spotify Technology SA [1,2]	2,459,667	5,776,536
Total Communication Services		7,616,237	11,393,852
Consumer Discretionary (16.53%)			
	Automobile Manufacturers (2.95%)		
9,337	Tesla, Inc. [1]	2,283,651	2,965,992
	Broadline Retail (7.90%)		
36,212	Amazon.com, Inc. [1]	6,739,201	7,944,551
	Casinos & Gaming (1.01%)		
23,790	DraftKings, Inc., Cl A [1]	777,125	1,020,353
	Education Services (2.06%)		
5,060	Duolingo, Inc. [1]	1,403,226	2,074,701
	Hotels, Resorts & Cruise Lines (0.80%)		
87,577	eDreams ODIGEO SA (Spain)[1,2]	674,524	802,115
	Restaurants (1.81%)		
592,736	Eternal Ltd. (formerly, Zomato Ltd.) (India)[1,2]	1,719,229	1,825,506
Total Consumer Discretionary		13,596,956	16,633,218
Consumer Staples (1.17%)			
	Personal Care Products (1.17%)		
15,573	Oddity Tech Ltd., Cl A [1,2]	821,217	1,175,294
Financials (1.67%)			
	Investment Banking & Brokerage (1.67%)		
4,480	LPL Financial Holdings, Inc.	1,544,265	1,679,866
Health Care (1.42%)			
	Health Care Services (1.42%)		
27,613	Hinge Health, Inc., Cl A [1]	936,192	1,428,973
Industrials (1.98%)			
	Aerospace & Defense (1.01%)		
1,233	Axon Enterprise, Inc. [1]	423,866	1,020,850
	Construction & Engineering (0.97%)		
2,573	Quanta Services, Inc.	753,826	972,800
Total Industrials		1,177,692	1,993,650
Information Technology (61.08%)			
	Application Software (5.74%)		
5,866	Atlassian Corp., Cl A [1,2]	1,344,574	1,191,326
11,549	Gitlab, Inc., Cl A [1,3]	627,143	520,975
3,578	Guidewire Software, Inc. [1]	508,894	842,440
43,072	Samsara, Inc., Cl A [1]	1,732,994	1,713,404
1,019	ServiceNow, Inc. [1,3]	805,758	1,047,614
4,294	ServiceTitan, Inc., Cl A [1]	403,869	460,231
		5,423,232	5,775,990

Shares		Cost	Value
Common Stocks (continued)			
Information Technology (contined)			
	Electronic Components (0.82%)		
9,202	Coherent Corp. [1]	$ 822,953	$ 820,910
	Electronic Equipment & Instruments (3.18%)		
32,005	PAR Technology Corp. [1]	1,822,269	2,220,187
4,669	Park Systems Corp. (Korea, Republic of)[2]	680,120	983,414
		2,502,389	3,203,601
	Internet Services & Infrastructure (2.22%)		
33,634	GDS Holdings Ltd., ADR [1,2]	484,091	1,028,191
10,428	Shopify, Inc., Cl A [1,2]	784,805	1,202,870
		1,268,896	2,231,061
	IT Consulting & Other Services (0.77%)		
1,914	Gartner, Inc. [1]	808,849	773,677
	Semiconductor Materials & Equipment (3.63%)		
49,361	HPSP Co. Ltd. (Korea, Republic of)[2]	981,933	1,010,433
14,568	Lam Research Corp.	1,197,622	1,418,049
4,437	Nova Ltd. [1,2]	880,903	1,221,063
		3,060,458	3,649,545
	Semiconductors (28.46%)		
30,513	Broadcom, Inc.	5,614,149	8,410,908
11,210	eMemory Technology, Inc. (Taiwan)[2]	873,667	907,521
394,634	indie Semiconductor, Inc., Cl A [1]	1,757,106	1,404,897
1,229	Monolithic Power Systems, Inc.	731,853	898,866
77,273	NVIDIA Corp.	7,968,228	12,208,361
7,884	Taiwan Semiconductor Manufacturing Co., Ltd. (Taiwan)[2]	161,540	288,313
19,922	Taiwan Semiconductor Manufacturing Co., Ltd., ADR [2]	3,289,653	4,512,134
		20,396,196	28,631,000
	Systems Software (13.72%)		
8,330	Cloudflare, Inc., Cl A [1,3]	729,405	1,631,264
4,371	CyberArk Software Ltd. [1,2]	1,449,160	1,778,472
16,242	Datadog, Inc., Cl A [1,3]	1,916,648	2,181,788
9,108	Microsoft Corporation	3,637,683	4,530,410
6,113	Snowflake, Inc., Cl A [1,3]	1,134,859	1,367,906
7,390	Zscaler, Inc. [1]	1,536,435	2,320,017
		10,404,190	13,809,857
	Technology Hardware, Storage & Peripherals (2.54%)		
12,471	Apple, Inc.	2,359,162	2,558,675
Total Information Technology		47,046,325	61,454,316
Real Estate (1.17%)			
	Real Estate Services (1.17%)		
14,588	CoStar Group, Inc. [1]	1,180,931	1,172,875
Total Common Stocks		**73,919,815**	**96,932,044**

Baron Technology Fund (continued)

Principal Amount		Cost	Value
Short-Term Investments (1.36%)			
$ 1,362,970	Repurchase Agreement with Fixed Income Clearing Corp., dated 6/30/2025, 3.85% due 7/1/2025; Proceeds at maturity $1,363,116; (Fully Collateralized by $1,347,200 U.S. Treasury Note, 4.375% due 7/15/2027 Market value - $1,390,327)	$ 1,362,970	$ 1,362,970
Total Investments (97.70%)		$ 75,282,785	98,295,014
Cash and Other Assets Less Liabilities (2.30%)			2,316,329
Net Assets			$ 100,611,343

% 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.

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