JOSH SALTMAN

PORTFOLIO MANAGER

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

## Dear Baron Fintech Fund Shareholder:

## Performance

In the quarter ended December 31, 2024, Baron FinTech Fund® (the Fund) rose 5.29% (Institutional Shares) compared with a 4.24% increase for the FactSet Global FinTech Index (the Benchmark). Since inception, the Fund has risen at a 12.17% annualized rate compared with 3.93% for the Benchmark.

**Table I.**
**Performance†**
**Annualized for periods ended December 31, 2024**

| | Baron FinTech Fund Retail Shares[1,2] | Baron FinTech Fund Institutional Shares[1,2] | FactSet Global FinTech Index[1] | S&P 500 Index[1] | MSCI ACWI Index[1] |
|---|---|---|---|---|---|
| Three Months[3] | 5.23% | 5.29% | 4.24% | 2.41% | (0.99)% |
| One Year | 22.87% | 23.14% | 14.17% | 25.02% | 17.49% |
| Three Years | 1.25% | 1.50% | (2.24)% | 8.94% | 5.44% |
| Five Years and Since Inception (December 31, 2019) | 11.90% | 12.17% | 3.93% | 14.53% | 10.06% |

U.S. equities rose for a fifth consecutive quarter, with most of the strength coming in November following the U.S. elections that saw President Donald Trump re-elected and Republicans win majorities in both houses of Congress. Investors expect the Republican sweep will spur economic growth through lower taxes and deregulation with some offset from higher tariffs. The Trump rally faded in December as interest rates rose following hawkish commentary from the Federal Reserve and stubbornly persistent inflation. The pullback was also attributed to stretched valuations and narrow market breadth as the Magnificent Seven dominated market returns late in the year. The Magnificent Seven accounted for all of the S&P 500's fourth quarter gains and more than half of its full-year performance. Large-cap stocks outpaced small and mid-caps by more than 2 percentage points during the quarter. Growth outperformed value across the board, with the differential being most pronounced in the mid- and large-cap segments with 9 percentage points of outperformance.

Outside of the U.S., Donald Trump's victory was met with caution, particularly in emerging markets and developed Europe where equities and currencies fell on concerns about U.S. trade policy and its implications for global growth. Higher U.S. yields also strengthened the U.S. dollar. The MSCI ACWI ex USA and MSCI Emerging Markets Indexes were down 7.6% and 8.0%, respectively, in the fourth quarter, meaningfully trailing the S&P 500 Index, which rose 2.4%.

During the fourth quarter, the Fund outperformed the Benchmark and the S&P 500 Index. The outperformance versus the Benchmark was driven by double-digit gains from holdings in Payments and Capital Markets. Leaders outperformed Challengers (up 6.1% versus up 3.9%, respectively). Against the broader S&P 500 Index, the Fund overcame strength from the Magnificent Seven, which climbed nearly 10%, partly due to favorable stock selection. The Fund's holdings were up more than 5% in the period, outperforming the non-Magnificent Seven stocks in the S&P 500, which fell 1%. The Fund also benefited from meaningfully higher exposure to the strong-performing Financials sector, which rose more than 7%.

Favorable stock selection in Payments was mostly attributable to double-digit gains from global payment companies **Visa Inc.** and **Fiserv, Inc.** Visa was a top contributor after the company reported strong quarterly results and provided a positive outlook for the next fiscal year. Quarterly revenue

*Performance listed in the above table is net of annual operating expenses. The gross annual expense ratio for the Retail Shares and Institutional Shares as of December 31, 2023 was 1.66% and 1.21%, respectively, but the net annual expense ratio was 1.20% and 0.95% (net of the Adviser's fee waivers), respectively. The performance data quoted represents past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original cost. The Adviser waives and/or reimburses certain Fund expenses pursuant to a contract expiring on August 29, 2035, unless renewed for another 11-year term and the Fund's transfer agency expenses may be reduced by expense offsets from an unaffiliated transfer agent, without which performance would have been lower. Current performance may be lower or higher than the performance data quoted. For performance information current to the most recent month end, visit BaronCapitalGroup.com or call 1-800-99-BARON.*

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

1 The **FactSet Global Fintech Index™** is an unmanaged and equal-weighted index that measures the equity market performance of companies engaged in Financial Technologies, primarily in the areas of software and consulting, data and analytics, digital payment processing, money transfer, and payment transaction-related hardware, across 30 developed and emerging markets. The **S&P 500 Index** measures the performance of 500 widely held large-cap U.S. companies. The **MSCI ACWI Index Net (USD)** is designed to measure the equity market performance of large and midcap securities across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. MSCI is the source and owner of the trademarks, service marks and copyrights related to the MSCI Indexes. The MSCI ACWI Index and the Fund include reinvestment of dividends, net of withholding taxes, while the FactSet Global Fintech Index™ and S&P 500 Index include reinvestment of dividends before taxes. Reinvestment of dividends positively impacts the performance results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly in an index.

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

3 Not annualized.

growth of 12% and EPS growth of 16% exceeded Street expectations, and initial guidance for fiscal 2025 calls for continued double-digit earnings growth. Similarly, Fiserv reported robust quarterly results and raised annual guidance. Looking ahead, we are optimistic about the international rollout of Clover, Fiserv's payment platform for small businesses, which is growing revenue by more than 25%.

Strength in Capital Markets was led by excellent performance from **Interactive Brokers Group, Inc.**, a low-cost brokerage with customers in over 200 countries. The 26.9% share price appreciation during the quarter reflected strong fundamentals, including 30% growth in accounts and 33% growth in client assets. These gains were driven by international investors seeking access to U.S. markets, which largely outperformed their global peers in 2024. Shares of Interactive Brokers also participated in the broader rally of financial stocks following the Republican elections sweep. Expectations of heightened capital markets activity, a more favorable regulatory environment, and the potential for higher market volatility all bode well for the company's growth prospects.

Higher exposure to the better performing Tech-Enabled Financials theme coupled with solid stock selection in the Enterprise Software theme also bolstered relative results. Within Tech-Enabled Financials, alternative asset managers **Apollo Global Management, Inc.** and **KKR & Co. Inc.** participated in the financial stock rally following the U.S. elections and expectations for more active deal-making. **LPL Financial Holdings Inc.** and **Wise Plc** rebounded from last quarter's underperformance with both gaining over 40% due to strong fundamentals and easing concerns about regulation and competition. Recent addition **ServiceTitan, Inc.** was mostly responsible for stock-specific strength in Enterprise Software after the company's IPO was well received by investors.

Partially offsetting the above was unfavorable stock selection in E-Commerce along with higher exposure to Information Services, which was the only theme in the Benchmark to decline during the quarter. Weakness in E-Commerce came from **MercadoLibre, Inc.**, the Latin American online marketplace and fintech provider. The company's margins fell during the quarter due to temporary factors and investments to drive long-term growth. Within Information Services, a pullback in our rating agency and credit bureau stocks resulted from higher interest rates and expectations for more muted credit activity.

**Table II.**
**Top contributors to performance for the quarter ended December 31, 2024**

| | Contribution to Return (%) |
|---|---|
| Apollo Global Management, Inc. | 1.22 |
| LPL Financial Holdings Inc. | 0.84 |
| Wise Plc | 0.73 |
| Visa Inc. | 0.61 |
| Interactive Brokers Group, Inc. | 0.60 |

Alternative asset manager **Apollo Global Management, Inc.** contributed to performance. The company held a well-received Investor Day during which management highlighted the firm's expansive credit management capabilities and introduced bullish five-year growth targets. Apollo also participated in the broader rally of financial stocks spurred by the Republican elections sweep, which has bolstered expectations for greater capital markets activity and looser regulations. Investors expect a more business-friendly administration will support growth initiatives for alternative managers, including plans to introduce private investments into retirement accounts. Finally, Apollo was added to the S&P 500 Index during the quarter, which prompted passive buying of the shares. We remain invested due to Apollo's long-term growth prospects, formidable competitive advantages, and strong management team.

**LPL Financial Holdings Inc.** is an independent broker-dealer that provides a turnkey platform for financial advisors. Shares rebounded from last summer's pullback on concerns that regulators would take actions to erode the profitability of client cash. These concerns abated following the November elections with investors now expecting a more favorable regulatory climate and better growth prospects. LPL's operational performance has been strong, with high single-digit organic growth in net new assets, compelling growth opportunities from outsourcing deals with banks and insurance companies, and stabilizing cash levels that should support better earnings growth. We remain bullish on the stock given its leading asset growth and strong long-term prospects.

**Wise Plc** is a U.K.-based provider of money transfer services for individuals and businesses worldwide. Shares advanced during the quarter on stronger-than-expected revenue growth and gross margins in the first half of the fiscal year. Revenues were boosted by growth in ancillary services, including multi-currency Wise Accounts and debit cards. Gross margins improved due to operational efficiencies and cost savings from direct integrations with local payment systems. Wise also announced the onboarding of two major global banks (Standard Chartered and Morgan Stanley) onto its white-label Wise Platform solution, which brings market validation and significant growth potential from the banks' own customers. We believe Wise's platform, licenses, and global connections are competitive advantages that enable the company to deliver a better customer value proposition and gain share in the large global market for money transfer.

**Table III.**
**Top detractors from performance for the quarter ended December 31, 2024**

| | Contribution to Return (%) |
|---|---|
| MercadoLibre, Inc. | –0.66 |
| Nu Holdings Ltd. | –0.56 |
| Arch Capital Group Ltd. | –0.40 |
| Guidewire Software, Inc. | –0.24 |
| The Progressive Corporation | –0.21 |

**MercadoLibre, Inc.** is the leading e-commerce marketplace in Latin America. Shares declined due to weaker-than-expected margins in the recent quarter. Margins were pressured due to growth in the credit portfolio, accounting changes, accruals for long-term incentive plans, and investments to expand the distribution network. We see these impacts as temporary and necessary to expand MercadoLibre's advantages in the large but competitive markets for e-commerce and financial services. Management is willing to sacrifice near-term profitability to drive faster growth and higher cash flow over the long term. We retain conviction in MercadoLibre as a prime beneficiary of the secular growth of e-commerce and greater financial inclusion in Latin America.

**Nu Holdings Ltd.** is a digital bank with operations in Brazil, Mexico, and Colombia. Shares fell after the company reported a lower net interest margin and tightened underwriting criteria for unsecured loans. We see these impacts as temporary and tied to the company's growth. The margin contraction was largely driven by rapid deposit growth in Mexico and Colombia, an intentional part of Nu's client acquisition strategy. The tighter underwriting standards are a necessary part of the ongoing process of adjusting lending criteria to new clients. We remain confident in Nu's growth prospects as the company is addressing key pain points faced by banking customers across the region, including high fees, poor customer service, and limited access to financial products. We believe its superior product offering will lead to continued share gains in the large and growing Latin American market.

Shares of specialty insurer **Arch Capital Group Ltd.** fell due to concerns about a cyclical slowdown following several years of favorable market conditions. The Street expects property catastrophe reinsurance pricing to decline during the January 1 renewal period, defying earlier hopes for stable pricing. Despite solid third quarter earnings, underwriting margins worsened due to a recent acquisition, business mix shifts, and normal quarterly volatility. Additionally, shares were pressured by an unexpected CEO transition. We continue to own the stock due to Arch's strong management team and our expectation of significant growth in earnings and book value.

## 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 December 31, 2024, the Fund held 47 positions (34 excluding those smaller than 1%). The Fund's 10 largest holdings represented 40.9% of net assets, and the 20 largest holdings represented 69.3% of net assets. International stocks represented 10.6% of net assets. The market capitalization range of the investments in the Fund was $816 million to $638 billion with a median of $32 billion and a weighted average of $114 billion. The Fund's active share versus the Benchmark was 85.9%.

We segment the Fund's holdings into seven investment themes. As of December 31, 2024, Tech-Enabled Financials represented 28.7% of net assets, Information Services represented 22.3%, Payments represented 16.2%, Enterprise Software represented 14.3%, Capital Markets represented 11.0%, E-Commerce represented 5.2%, and Digital IT Services represented 1.8%. Relative to the Benchmark, the Fund remains underweight in Enterprise Software, Payments, and Hardware, and has overweight positions in Tech-Enabled Financials, Capital Markets, Information Services, E-Commerce, and Digital IT Services.

We also segment the Fund's holdings between Leaders and Challengers. Leaders are generally larger, more established companies with stable growth rates, higher margins, and moderate valuation multiples. Challengers are generally smaller, earlier-stage companies with faster growth rates, lower margins, and higher valuation multiples. As of December 31, 2024, Leaders represented 77.1% of net assets and Challengers represented 22.4%, with the remainder in cash.

**Table IV.**
**Top 10 holdings as of December 31, 2024**

| | Year Acquired | Market Cap When Acquired ($ billions) | Quarter End Market Cap ($ billions) | Quarter End Investment Value ($ millions) | Percent of Net Assets (%) |
|---|---|---|---|---|---|
| Visa Inc. | 2020 | 376.2 | 637.5 | 3.2 | 4.6 |
| Mastercard Incorporated | 2020 | 306.1 | 483.4 | 3.2 | 4.6 |
| S&P Global Inc. | 2020 | 67.9 | 158.1 | 3.1 | 4.5 |
| Apollo Global Management, Inc. | 2023 | 40.4 | 93.5 | 2.9 | 4.3 |
| LPL Financial Holdings Inc. | 2021 | 12.9 | 24.4 | 2.8 | 4.1 |
| Fair Isaac Corporation | 2020 | 11.1 | 48.5 | 2.7 | 3.9 |
| Fiserv, Inc. | 2022 | 67.7 | 116.9 | 2.7 | 3.9 |
| KKR & Co. Inc. | 2024 | 88.9 | 131.4 | 2.7 | 3.9 |
| Intuit Inc. | 2020 | 69.3 | 175.9 | 2.6 | 3.8 |
| Tradeweb Markets Inc. | 2020 | 11.1 | 28.6 | 2.5 | 3.6 |

**Table V.**
**Fund investments in GICS sub-industries as of December 31, 2024**

| | Percent of Net Assets (%) |
|---|---|
| Financial Exchanges & Data | 19.8 |
| Transaction & Payment Processing Services | 19.6 |
| Application Software | 15.0 |
| Investment Banking & Brokerage | 11.0 |
| Property & Casualty Insurance | 7.0 |
| Asset Management & Custody Banks | 5.6 |
| Research & Consulting Services | 4.9 |
| Diversified Financial Services | 4.3 |
| Broadline Retail | 3.4 |
| Diversified Banks | 1.9 |
| Internet Services & Infrastructure | 1.8 |
| IT Consulting & Other Services | 1.8 |
| Insurance Brokers | 1.2 |
| Life & Health Insurance | 1.1 |
| Real Estate Services | 0.9 |
| Cash and Cash Equivalents | 0.5 |
| **Total** | **100.0*** |

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

## Recent Activity

During the quarter, we initiated two new positions and sold two positions. Below we discuss some of our top net purchases and sales.

**Table VI.**
**Top net purchases for the quarter ended December 31, 2024**

| | Quarter End Market Cap ($ billions) | Net Amount Purchased ($ thousands) |
|---|---|---|
| LPL Financial Holdings Inc. | 24.4 | 909.5 |
| ServiceTitan, Inc. | 9.1 | 403.9 |
| Robinhood Markets, Inc. | 33.0 | 324.4 |
| Primerica, Inc. | 9.1 | 169.0 |
| KKR & Co. Inc. | 131.4 | 149.1 |

We added to our position in **LPL Financial Holdings Inc.** after determining that concerns around potential regulatory actions affecting the company's ability to monetize client cash were overdone and had created an attractive buying opportunity. Our purchase proved timely as shares rallied sharply after the U.S. elections, with the incoming Republican administration expected to be more business-friendly and less likely to make adverse regulatory changes. Fundamentals have been strong with LPL gaining market share, benefiting from higher-for-longer interest rates, and seeing a slowdown in customers sorting cash into higher yielding but less profitable money market funds, all while trading at an undemanding valuation multiple.

We participated in the IPO of **ServiceTitan, Inc.**, the leading provider of business management software for the field service industry, which includes plumbing, roofing, landscaping, and HVAC. The company's software helps customers with nearly everything they need to run their businesses, including generating leads, scheduling appointments, dispatching technicians, tracking inventory, managing payroll, accepting payments, and offering financing. The company is led by the two co-founders who serve as CEO and president and together own 17% of the company.

ServiceTitan operates in a large market with a long runway for growth. Property owners and managers spend $1.5 trillion each year on trades services for their homes and businesses in the U.S. and Canada. This equates to $30 billion of potential revenue for ServiceTitan, of which $13 billion is serviceable across the trades and markets where the company operates today. With $685 million of annual revenue, ServiceTitan is serving only a small fraction of the market opportunity. Trades businesses are resilient in times of economic uncertainty given that most U.S. residential trades jobs are immediate, preventative, or non-discretionary in nature. Relative to the competition, ServiceTitan has distinct advantages including: 1) a market-leading, end-to-end software platform built specifically for the trades that provides a strong ROI to customers (as evidenced by a gross revenue retention rate exceeding 95%); 2) a first-mover advantage that has enabled the company to become a trusted vendor for 8,000 customers; and 3) a unique ability to collect data across all users and workflows to glean insights and improve the product offering.

We believe ServiceTitan is well positioned to grow revenue by 20% or more for the next several years. Approximately half of the growth comes from existing customers as they expand their own businesses and adopt more solutions. Subscription revenue increases alongside growth in the number of technicians, and usage revenue increases alongside growth in payment volume. ServiceTitan's revenue would nearly double if its existing customers adopted the full suite of solutions. Revenue growth also comes from adding new customers in existing trades (where the company is less than 10% penetrated) and expansion into new trades.

After years of investment in product development and sales, the company is now focused on margin expansion and earnings growth. We expect adjusted operating margins to expand from the low single digits today to 25% or greater over time. This margin expansion should drive strong growth in free cash flow, which should bolster the company's already healthy balance sheet and provide flexibility around capital allocation. We believe that ServiceTitan is a high-quality business with significant earnings growth potential, which should drive good returns for the stock over time.

We also initiated a position in **Robinhood Markets, Inc.** during the quarter. Robinhood is an online brokerage that offers free trading across stocks, options, and cryptocurrencies. Baron Capital has long invested in successful brokerage companies such as Charles Schwab, Interactive Brokers, and LPL Financial. We first met Robinhood in 2021 during their IPO process. Customers were using Robinhood because of its low-cost offering and simple user interface that makes trading easy and accessible. While we were impressed with management's success in building a modern brokerage with a large user base and strong product-market fit, we were hesitant to invest at a cyclical peak in trading activity and fintech valuations during the middle of the COVID-era meme-stock craze. Following the IPO, trading activity soon normalized and the share price fell significantly.

After revisiting the company this past year, we believe Robinhood is a much-improved business today. Departing from its early reputation as a gamified enabler of retail speculation in meme stocks, Robinhood has been professionalized and transformed into a more durable company that can reliably gain market share and grow earnings over the long term. Some examples of the company's maturation include: 1) providing retirement accounts that should create larger and longer-lasting client relationships; 2) launching the Gold subscription service that delivers additional value to Robinhood's best customers; 3) introducing the web-based Legend platform that offers more advanced features for active traders; and 4) exercising expense discipline to right-size the cost base and deliver profitability alongside growth. These efforts have delivered strong financial results, with Robinhood generating annualized net new asset growth of 29%, custodied asset growth of 76%, and an adjusted EBITDA margin of 42% in the most recent quarter. Average revenue per user has also increased significantly from $60 in 2022 to $107 in the first nine months of 2024 across more than 24 million funded accounts. The customer retention rate is a very strong 95%, up from 80% three years ago.

We believe Robinhood's leading position with younger investors should make it a prime beneficiary of the largest expected generational wealth transfer in history. Millennials and Gen Z represent 75% of customers, and while most aren't wealthy today, they stand to inherit more than $80 trillion over the next 20 years. With only $160 billion of client assets today, Robinhood has the potential to grow many multiples in size over time. In the near term, we expect Robinhood will grow by adding Gold subscribers and active traders, building out advisory services, adding cryptocurrencies, and expanding internationally. Robinhood's cost base is mostly fixed, so revenue growth should flow through at high incremental margins, supporting faster growth in earnings. Given the size of the opportunity ahead, we think Robinhood can generate strong earnings growth for many years.

**Table VII.**
**Top net sales for the quarter ended December 31, 2024**

| | Quarter End Market Cap or Market Cap When Sold ($ billions) | Net Amount Sold ($ thousands) |
|---|---|---|
| Global Payments Inc. | 28.5 | 707.7 |
| Apollo Global Management, Inc. | 93.5 | 378.9 |
| The Progressive Corporation | 140.4 | 366.1 |
| Endava plc | 1.7 | 224.4 |
| Intuit Inc. | 175.9 | 132.4 |

We reduced **Global Payments Inc.** due to concerns about the company's competitive positioning, underwhelming performance from large acquisitions, and a strategic shift toward divestitures. We trimmed **Apollo Global Management, Inc.** and **The Progressive Corporation** on strength to manage position sizes and fund purchases elsewhere in the portfolio. We sold our small remaining positions in **Endava plc** and **Repay Holding Corporation** due to growth concerns.

## Outlook

The Fund just celebrated its fifth anniversary. It's been a rollercoaster ride with the COVID pandemic, an equity bear market, a stimulus-driven rally, spiking inflation, Fed rate hikes, another equity bear market, the rise of generative AI, moderating inflation, and two consecutive years of strong equity market returns. Since inception, the Fund has generated attractive risk-adjusted returns with 8 percentage points of annual outperformance and lower volatility than the Benchmark. The Fund has outperformed in all market environments by capturing 103% of the Benchmark gains in up-markets but only 80% of the declines in down-markets. As long-term investors, Fund turnover since inception has been modest at 18% (implying a 5.6-year average hold period).

We have achieved these results by staying true to the investment philosophy we articulated in our very first shareholder letter: "We seek to invest in fintech companies with long runways for growth, sustainable competitive advantages, exceptional management teams, and attractive valuations." Fintech sits at the intersection of financial services and technology where we find large markets, outstanding business models, and significant innovation taking place. The secular growth trends we identified five years ago remain just as relevant today: growing demand for data to inform decision making, the electronification of the capital markets, the shift to electronic payments, the rise of e-commerce, and the need for digital transformation across financial institutions. These trends continue to drive the digitization of the financial sector and the growth of fintech companies.

We start the year optimistic about the prospects for the Fund's holdings. The U.S. economy has been resilient with relatively low unemployment and healthy consumer spending. The new U.S. administration should be positive for corporate earnings by maintaining or cutting tax rates, easing regulations, and promoting domestic capital investment. JPMorgan CEO Jamie Dimon recently noted, "Businesses are more optimistic about the economy, and they are encouraged by expectations for a more pro-growth agenda and improved collaboration between government and business." Dimon also noted two big risks from persistent inflation and geopolitical instability. Despite 100 basis points of cumulative Fed rate cuts since mid-September, long-term interest rates have risen with the 10-year Treasury yield up 100 basis points over the same period. Our base case is that inflation and interest rates will moderate from current levels, but the Fund should be well positioned even if rates remain higher for longer. Earnings growth drives share prices over the long term, and we remain confident in the growth prospects for the Fund's holdings.

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

Sincerely,

Josh Saltman
Portfolio Manager

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*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. **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.

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