

Baron Funds®

December 31, 2024

Quarterly Report

Baron's 2024 Investment Conference theme was "Building Legacy." More than 5,000 Baron Capital clients and shareholders of Baron Funds attended that meeting. This was the second time I interviewed Gwynne at a Baron Conference on stage at The Met. Our first interview was five years ago on October 25, 2019. The conference theme that fall, a few months before COVID-19 changed all our lives, was shockingly, "What's Next?" Fleetwood Mac performed at day's end under an iconic otherworldly Andy Warhol style banner, "First Person on Mars!" Last year, in November 2024, Michael Bublé, Carrie Underwood, "Wicked" star Cynthia Erivo, the Broadway cast of "Suffs the Musical," Broadway star Kelli O'Hara, and Israeli pop superstar Noa Kirel entertained us during lunch and at the end of the day.

All expenses of the Annual Baron Investment Conferences, including venue, entertainers, three Tesla Model Y "door prizes," Baron "Building Legacy" t-shirts, chocolate chip cookies, miscellaneous swag... like viewing of Optimus robots up close and personal, and six Scream Ice Cream trucks serving incredibly delicious ice cream cones at 4 PM...(I personally own 5% of Internet based Scream ice cream trucks returning to my "roots" one college summer as an ice cream man)...are expenses of Baron Capital. Not of our clients or of Baron mutual fund shareholders. It's our way of saying "Thanks" for believing in and trusting us all these years. One of our investors remarked that it seems "the only thing Ron is willing to sell is ice cream!" That individual obviously saw through the glitz.

A Baron shareholder in the 5,000-person audience at The Met in 2019 raised his hand after Gwynne spoke. "Gwynne. Fabulous presentation. No wonder Ron thinks you are amazing! But, SpaceX is a private company. How can I invest in SpaceX?" "Call Ron," Gwynne answered. I suppose if she were asked today, she'd give the same answer.

On November 15, 2024, I began our interview with Gwynne remarking, "I love you, Gwynne." Her response, "I love you, too, Ron."



SpaceX COO and "rocket scientist" Gwynne Shotwell being interviewed on The Met stage by Ron and Baron Sr. Analyst and Asst. Manager Ishay Levin. "Laughing...Learning...and Building Legacy..." The 31st Annual Baron Investment Conference. November 15, 2024.

"Very grateful to work with you. Been a **blast**. *And we are just getting started.*" Email to me. Senior Director, Finance, SpaceX. January 27, 2025.

SpaceX's competitive advantage is that it can *refly* rockets over and over like an airplane. Which enables access to space ultimately for the cost of fuel, not of an entire \$150+ million rocket that can be used only once and then disintegrates in the atmosphere. Further, SpaceX's unique launch and reuse capabilities have enabled it to create Starlink, a low earth orbital, broadband satellite network. Starlink provides communications through its thousands of low latency satellites just like you were standing on our planet and talking to someone next door! Starlink has the ability to provide communications to virtually



Canadian crooner, Michael Bublé, had the crowd feeling good at Baron Capital's 31st Annual Investment Conference!

every square inch of Planet Earth as well as in the air above our planet, a feat we think will be extremely difficult for others to duplicate. It won't exactly be easy for others to duplicate SpaceX's long-term goal to reach Mars, either.

Baron Capital has been purchasing shares of privately owned, actively traded... **SpaceX** for our mutual funds...separately managed accounts... institutional clients...foundations... endowments... executives of businesses in which we have invested...and proprietary investment accounts since 2017. *In that year, Baron Partners Fund became the first*

open end mutual fund in the U.S. to invest in SpaceX. SpaceX shares have since been and remain the subject of sustained extraordinary demand. The cost of those purchases over the past eight years is approximately \$1.1 billion. The current value of those investments is approximately \$4.4 billion. The valuation of SpaceX shares has been increasing significantly since well before our initial purchases.

SpaceX is now Baron Capital's second largest holding. It represents 9.3% of our Firm's AUM. SpaceX represents 15.0% of Baron Partners Fund's total investments, and 11.4% of Baron Focused Growth Fund's net assets.

We expect to continue to increase our investment in SpaceX for clients opportunistically as far as the eye can see. Since demand is so far in excess of supply, that's clearly not going to be easy.

The Senior Director, Finance wrote me recently that when Baron began to invest in SpaceX in 2017, SpaceX growth rate was *linear*. "It's now *exponential*." On January 25, 2025, on the ride to downtown LA from LAX, I "stopped by" SpaceX to chat for 45 minutes with SpaceX's CFO. What's new?

Starlink subscribers more than doubled to 4.6 million in 2024. They could double again in 2025. Planet Earth has more than 8 billion inhabitants. About one third have no broadband internet.



Letter from Ron

United Airlines, Qatar, Hawaiian Air, Air France, and SAS have all recently installed or are in the process of installing Starlink on their planes. A lot more to come.

Telco direct to cell texts from Starlink satellites will be available in 2025...initially through TMobile and multiple other mobile network operators around the world from Canada and Chile to Australia and Japan. *We think this is a game changer.* For example...more than 50% of truckers are "blind" to their drivers...and more than 30% of trains do not know the location of their cars.

Starshield has a massive opportunity to protect the American homeland.

In March, SpaceX will launch four more astronauts to the International Space Station and return home two that have been on the orbiting lab for eight months since the Boeing flight test last year.

Finally, just like JFK promised in 1961 to land a man on the moon before the end of that decade...SpaceX is preparing for an unmanned Mars mission as soon as 2026 with human footprints to follow in the years after! We'll see. President Trump is supportive.

Since SpaceX is privately owned... for most of us, even though its shares are actively traded, it is very difficult to purchase without unusual costs. Purchases of **Baron Partners Fund** and **Baron Focused Growth Fund**, two open end, no-load mutual funds with significant holdings of SpaceX, are one way to participate at what we believe are attractive annual management fees and no "carry." Those two top performing Baron Funds can be purchased through hundreds of the largest brokerage firms' and banks' mutual fund "platforms." Or, directly through Baron. Baron Partners Fund is one of only two equity mutual funds in the United States...of over 2,600 such funds... to outperform the QQQ ETF for the past 15 years. In fact, Baron Partners Fund was the number one performing fund in that group for this period. According to Morningstar, Baron Partners Fund is the number one performing U.S. equity mutual fund since it converted from a partnership founded in 1992 to a mutual fund in 2003!*

Also speaking at our 2024 annual meeting for the second time was Henry Fernandez. Henry is the Founder and Chairman of **MSCI, Inc.**

Baron has been an important investor in MSCI since that company's initial public offering in November 2007 at \$18 per share. That was immediately preceding the GFC, the Great Financial Crisis. In fact, Henry told me that without Baron's interest in 2007, MSCI's public



For over a decade, CNBC and hosts Becky Quick and Andrew Ross Sorkin have spent the morning with us at our annual investment conference — bringing sharp questions, quick wit, and an always entertaining exchange between Becky and Ron.

offering could not have taken place. Henry, who is now a very good friend, also told me he often wondered why Baron was interested when so many others were not. "Easy," I responded. "We thought the MSCI business unique...it likely could become important to the financial structure of world economies and markets...and we believed Henry was an incredibly driven talented person...and there could be no question he is 'a survivor.'"

Henry and his family 50 years ago were immigrants forced to flee from Nicaragua following a Communist led military coup in that nation. Although Henry still speaks with a heavy Latin accent, Henry calls it a "southern" accent, that sometimes makes it challenging for me to understand what he is saying, his grasp of math and markets and economies is second to none. As is his dedication to MSCI shareholders.

Henry's first presentation at a Baron Annual Investment Conference was on October 24, 2008...our 17th such meeting. On that day panic and pandemonium reigned! Markets had recently fallen dramatically and were "limit down" that morning. MSCI's share price had fallen from \$30 to \$18 over the past several months when we were about to appear live on CNBC Squawk Box before his presentation at The Met. "This is an incredible country in which we live," I told Henry. "We need to be bullish!" We were. MSCI shares now trade at ~\$600 per share...and, after increasing about 26.9 times in the past 17 years, now represent 2.7% of our Firm's AUM...with a lot more to come, we believe. MSCI is our 6th largest holding.

MSCI is a provider of financial indexes, rules, and analytics critical to the functioning of capital markets worldwide. MSCI provides definitions of what stocks and markets are investable and what are not. These rules underpin global investment portfolios. More than \$15 trillion of assets are currently benchmarked to MSCI

indexes! In a recent visit to the Middle East, an MSCI client, one of the largest sovereign wealth funds in the world, told Henry he thought MSCI was "the most important investment infrastructure company in the world."

Dinos Iordanu, after great success as a property and casualty insurance executive for Warren Buffett's Berkshire Hathaway and Hank Greenberg's AIG, was a founder of property and casualty insurer **Arch Capital Group Ltd.** After we met this immigrant entrepreneur in 2002, and studying his long-term business model that paid salesmen relative to profits earned on policies written over their terms not on gross commissions earned in a year, we were intrigued. Even more so when he

described the less competitive markets his new business intended to address. Finally, when we learned that property and casualty industry reserves had declined sharply over the past several years and rates hadn't yet increased, we determined the timing for fresh capital in this industry was propitious. We began to purchase Arch shares soon after 9/11! We have since become one of Arch's largest shareholders. Arch shares have increased approximately 34 times since our initial purchase in 2002, or 16.8% per year, annualized. Arch is now Baron's 4th largest investment and represents 3.9% of our Firm's AUM. More to come here, too.

So, when Dinos recommended in 2009 that we study **Verisk Analytics, Inc.**, a business in which Arch and Dinos personally had both invested, we paid attention. Verisk is a unique and leading data and analytics provider to the U.S. insurance industry. Verisk was created almost 50 years ago as a co-op for insurance providers. A contributory database, in other words. Property and casualty providers give Verisk their anonymized data for no compensation and pay Verisk to use that data and Verisk analytics. Verisk analytics are based upon algorithms developed by hundreds of scientists, hundreds of mathematicians, and hundreds of technologists. Sharing anonymized proprietary data sets by individual providers allows insurers to better assess and price risk...and identify likely fraud for example. *Verisk's set of data assets are irreplaceable and are used by every property and casualty insurer in the U.S.* Verisk data and language are embedded in all insurance policies. AI will further improve the use of this data. Property and casualty insurance is critical to the functioning of a global economy. Buffett sure proved that. When Lee Shavel, Verisk's CEO, addressed our conference that morning he explained that he had previously been CFO for Verisk and before that of NASDAQ. When he

was promoted to CEO, he called Henry Fernandez, whom he described as having built an "extraordinarily successful business" for advice. Henry told him that "if you create value for your clients and employees you will create value for your shareholders." Lee's interest had previously been centered principally on investors! He thought Henry's advice to focus on a broader constituency of stakeholders was clearly helpful. He then called me, also asking for advice. He told the Baron Investment Conference audience that I then spent 45 minutes asking about his ideas for the business before giving him advice consistent with Henry's. "Make every decision as if you owned the entire business." In other words, think long term. Baron invested in Verisk in 2009 and since then, the stock price has increased about 10.5 times, or a 16.7% annualized return over the past 15 years. Verisk now represents 0.7% of our Firm's AUM and is our Firm's 23rd largest investment.

Red Rock Resorts, Inc. is a "family business." Red Rock was founded by Frank and Lorenzo Fertitta's dad 40 years ago, after he had worked at several Las Vegas casinos in various positions from bellman to blackjack dealer to general manager of a downtown casino. That is when he had the idea to start a casino that catered to "locals" who worked in Strip casinos not to the tourists who vacationed annually or less frequently at Strip properties. The Fertittas' vision of "locals" casinos has enabled Red Rock to create the **second largest gaming business in America...after the Las Vegas Strip...bigger than Atlantic City...Chicagoland...and the Mississippi Coast...with virtually no competition!**

Why? What is Red Rock's competitive advantage? In 1997, Las Vegas enacted legislation that restricted development of casinos in communities near schools, shopping centers, and hospitals away from the tourist corridor on the Las Vegas Strip. Exceptions to these restrictions were given to properties that had already been zoned for casinos before residential development. The Fertittas then acquired land, had it zoned for casinos before communities were developed, and "land banked" almost all the properties in the Las Vegas Valley not on the Strip that can now be developed for casinos.

When Frank and Lorenzo spoke about their family's Las Vegas "locals casinos" at the 2024 Baron "Building Legacy" conference, the brothers first mentioned they have "known Ron for more than 31 years!" It took us awhile to leave the glitz of the expensive and not as profitable Las Vegas strip casinos...but we finally began to invest in the Fertitta's unique and competitively advantaged "locals" casinos in 2016. The stock has increased about 3.1 times since our initial investment, a 14.0% annualized rate of return. Red Rock is now our 16th largest investment and represents 1.1% of our Firm's AUM.

Extravagant and glamorous, spare no expense, Las Vegas Strip casinos typically cost several billion dollars each to build. Those properties typically earn high single-digit unlevered returns on capital. Red Rock casinos, built in communities generally a half hour or more from the Strip, where the Strip employees live, are the "Cheers" bars of the casino industry. They cater not only to individuals who work in Strip casinos but increasingly, to the wealthy who have moved to Las Vegas from nearby high tax states. Red Rock's patrons are served by dealers and hostesses who not only know their names but those of their children and grandchildren...and their favorite menu items and drinks. Red Rock's customers visit on average four times a month, not once a year or every other year as is common for "The Strip" casinos' guests. Red Rock's casinos in general cost hundreds of millions to build, not billions, and earn nearly 20% returns on unlevered investment!

One more thing. When COVID-19 hit, and casinos and other hotels and resorts cut expenses and laid off employees, Frank and Lorenzo did the opposite. All their employees were notified that although Red Rock casinos would be closed during COVID, **its employees would continue to be paid their salaries in full until Red Rock reopened their casinos!** That's the sort of thing "family businesses" do. The Fertittas regard their employees as family and along with their physical properties consider them their most important assets. Red Rock is now the preferred place of employment in that city...which means that its customers will likely be treated better by loyal Red Rock's employees than anywhere else.

It is quite unusual for "active" mutual funds...or any investor for that matter...to consistently outperform the passive S&P 500 Index. That is why I recommend to most who ask that they invest in a low-cost passive index fund, unless they invest with Baron, of course, which has consistently outperformed passive indexes over the long term. Although certainly not every year. In fact, just like Berkshire Hathaway, Baron has underperformed markets roughly a third of the calendar years...but substantially outperformed markets by hundreds of basis points annually over the long term. That's because our portfolios of competitively advantaged, unique, faster growing than economy businesses are a lot different than market indexes, just like Buffett's value oriented competitively advantaged larger companies are a lot different than indexes. But, over the long term, both strategies have outperformed indices- by a lot.

Since the U.S. stock market and our economy double about every 10 or 11 years, we think investing in passive index funds is a good way to protect your hard-earned savings from the ravages of 4% to 5% annual inflation, based on my long-term experience and practical observations. The Table "Inflation According to Ron" illustrates that the value of your money, i.e., its buying power has fallen in half approximately every 14-15 years during my 81-year lifetime. Since our government spends more than it receives in taxes over the long term, it consistently devalues our currency to pay for wars, pandemics, social services, defense of the homeland...among other priorities that allow our government representatives to remain in power. We obviously don't believe 2% annual inflation is a likely outcome for the United States over the long term.

Since their respective inceptions, 16 of 19 Baron mutual funds, representing 96.4% of Baron Funds' AUM, have outperformed their primary benchmarks and 14 Funds representing 95.9% of Baron Funds' AUM, rank in the top 20% of their respective Morningstar categories. Eight Funds, representing 57.7% of Baron Funds' AUM, rank in the top 5% of their categories. When we founded Baron Capital on March 15, 1982, the Ides of March, short term interest rates on U.S. Treasuries were 12% to 13% and America was

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mired in a lengthy recession. This was as U.S. Federal Reserve Chairman Volker tried to reduce the persistent inflation of the 1970s with the blunt instrument of extraordinarily high interest rates. Baron was then managing \$10 million...and the Dow Jones Industrial Average was 795! It is now approaching 45,000! David, one of my two sons and co-President of Baron with Michael,

recently asked me, "Dad, when Michael and I were one and two years old and economic conditions were so uncertain, how did you ever have the courage to start a business?" "The best time to start a business is when times are uncertain. Like now," I answered. Baron has been relatively successful. Our Firm's AUM has grown from \$100 million in 1992 to \$45.3 billion at

year end 2024. We have earned approximately \$49.7 billion in realized and unrealized profits for our clients, shareholders, employees, and proprietary accounts since attempting to achieve our Mission of "Changing Lives." So far so good. But, still a long way to go. Like the Senior Director, Finance of SpaceX believes, "We, too, are just getting started!"

Respectfully,



Ronald Baron
CEO and Portfolio Manager
February 27, 2025

* This is a hypothetical ranking created by Baron Capital using Morningstar extended performance data and is as of 12/31/2024. There were 2,009 share classes in these nine Morningstar Categories for the period from 4/30/2003 to 12/31/2024.

As of 12/31/2024, the annualized returns of the Invesco QQQ Trust were 25.61%, 19.93%, and 18.29% for the 1-, 5-, and 10-year periods, respectively.

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.

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.

As of 12/31/2024, the Morningstar Large Growth Category consisted of 1,088, 952, and 748, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Partners Fund in the 30th, 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 678 share classes. On an absolute basis, Morningstar ranked Baron Partners Fund Institutional Share Class as the 321st, 1st, 1st, and 1st best performing share class in its Category, for the 1-, 5-, 10-year, and since conversion periods, respectively.

Baron Funds (Institutional Shares) and Benchmark Performance 12/31/2024

Fund/Benchmark	Inception Date	Average Annualized Returns %					Annual Expense Ratio	Net Assets
		1 Year	3 Years	5 Years	10 Years	Since Inception		
Small Cap								
Baron Discovery Fund [†]	9/30/2013	16.28%	(2.57)%	10.01%	11.26%	12.76%	1.06% ⁽⁶⁾	\$1.59 billion
Russell 2000 Growth Index		15.15%	0.21%	6.86%	8.09%	8.44%		
Baron Growth Fund [®]	12/31/1994	5.02%	(2.14)%	8.42%	10.28%	12.61%	1.05% ⁽⁶⁾⁽⁷⁾	\$6.96 billion
Russell 2000 Growth Index		15.15%	0.21%	6.86%	8.09%	7.92%		
Baron Small Cap Fund ^{®†}	9/30/1997	13.61%	(0.12)%	10.18%	10.50%	10.30%	1.05% ⁽⁶⁾	\$4.32 billion
Russell 2000 Growth Index		15.15%	0.21%	6.86%	8.09%	6.44%		
Small/Mid Cap								
Baron Focused Growth Fund ^{® 1}	5/31/1996	29.85%	6.04%	25.91%	18.30%	13.89%	1.06% ⁽⁸⁾	\$2.11 billion
Russell 2500 Growth Index		13.90%	(0.02)%	8.08%	9.45%	8.24%		
Mid Cap								
Baron Asset Fund ^{®†}	6/12/1987	10.77%	(1.23)%	7.97%	10.59%	11.35%	1.05% ⁽⁶⁾	\$4.21 billion
Russell Midcap Growth Index ²		22.10%	4.04%	11.47%	11.54%	10.50%		
Large Cap								
Baron Durable Advantage Fund [®]	12/29/2017	27.14%	11.63%	17.21%		16.40%	1.00%/0.70% ⁽⁶⁾⁽¹⁰⁾	\$482.62 million
S&P 500 Index		25.02%	8.94%	14.53%		13.83%		
Baron Fifth Avenue Growth Fund [®]	4/30/2004	37.75%	2.43%	12.51%	13.74%	10.42%	0.78%/0.76% ⁽⁶⁾⁽¹¹⁾	\$725.12 million
Russell 1000 Growth Index		33.36%	10.47%	18.96%	16.78%	12.48%		
All Cap								
Baron Opportunity Fund ^{®†}	2/29/2000	40.25%	6.34%	20.65%	18.17%	10.25%	1.06% ⁽⁶⁾	\$1.52 billion
Russell 3000 Growth Index		32.46%	9.93%	18.25%	16.22%	7.69%		
Baron Partners Fund ^{®3,4}	1/31/1992	33.08%	3.21%	29.26%	21.34%	15.67%	1.99% ⁽⁸⁾⁽⁹⁾	\$8.08 billion
Russell Midcap Growth Index		22.10%	4.04%	11.47%	11.54%	10.26%		
Non-U.S./Global								
Baron Emerging Markets Fund ^{®†}	12/31/2010	7.90%	(4.66)%	1.02%	2.88%	3.51%	1.11% ⁽⁸⁾	\$3.62 billion
MSCI Emerging Markets Index		7.50%	(1.92)%	1.70%	3.64%	1.97%		
MSCI Emerging Markets IMI Growth Index		9.44%	(3.44)%	2.16%	4.39%	2.85%		
Baron Global Advantage Fund ^{®†}	4/30/2012	26.42%	(8.40)%	6.84%	11.05%	11.72%	0.95%/0.91% ⁽⁸⁾⁽¹²⁾	\$589.49 million
MSCI ACWI Index		17.49%	5.44%	10.06%	9.23%	9.75%		
MSCI ACWI Growth Index		24.23%	5.72%	13.07%	11.88%	11.85%		
Baron India Fund [®]	7/30/2021	17.75%	(3.09)%			(2.24)%	6.79%/1.20% ⁽¹⁴⁾⁽¹⁵⁾	\$8.83 million
MSCI AC Asia ex Japan/India Linked Index		1.18%	(4.85)%			(5.18)%		
MSCI AC Asia ex Japan Index		11.96%	(1.59)%			(2.33)%		
MSCI India Index		11.22%	7.34%			9.82%		
MSCI Emerging Markets Index		7.50%	(1.92)%			(2.49)%		
Baron International Growth Fund [®]	12/31/2008	4.35%	(6.54)%	3.26%	5.85%	8.65%	0.98%/0.95% ⁽⁸⁾⁽¹³⁾	\$321.24 million
MSCI ACWI ex USA Index		5.53%	0.82%	4.10%	4.80%	6.67%		
MSCI ACWI ex USA IMI Growth Index		4.81%	(2.93)%	3.47%	5.39%	7.32%		
Sector								
Baron FinTech Fund ^{®†}	12/31/2019	23.14%	1.50%	12.17%		12.17%	1.21%/0.95% ⁽⁸⁾⁽¹⁶⁾	\$69.08 million
FactSet Global FinTech Index		14.17%	(2.24)%	3.93%		3.93%		
Baron Health Care Fund [®]	4/30/2018	1.55%	(3.52)%	8.95%		10.82%	0.88%/0.85% ⁽⁸⁾⁽¹⁷⁾	\$193.40 million
Russell 3000 Health Care Index		3.48%	(0.02)%	7.18%		9.32%		
Baron Real Estate Fund [®]	12/31/2009	12.46%	0.21%	12.54%	9.64%	13.68%	1.06% ⁽⁸⁾	\$2.16 billion
MSCI USA IMI Extended Real Estate Index		12.70%	1.85%	8.50%	8.61%	11.18%		
Baron Real Estate Income Fund [®]	12/29/2017	17.36%	(0.56)%	9.28%		9.55%	0.96%/0.80% ⁽⁸⁾⁽¹⁸⁾	\$183.54 million
MSCI US REIT Index		7.49%	(3.43)%	3.10%		4.54%		
Baron Technology Fund [®]	12/31/2021	47.80%	10.38%			10.38%	5.04%/0.95% ⁽⁸⁾⁽¹⁹⁾	\$55.98 million
MSCI ACWI Information Technology Index		31.59%	11.06%			11.06%		
Equity Allocation								
Baron WealthBuilder Fund [®]	12/29/2017	18.73%	0.21%	13.85%		13.62%	1.22%/1.19% ⁽⁸⁾⁽²⁰⁾	\$572.48 million
S&P 500 Index		25.02%	8.94%	14.53%		13.83%		
Broad-Based Benchmarks⁵								
Russell 3000 Index		23.81%	8.01%	13.86%	12.55%			
S&P 500 Index		25.02%	8.94%	14.53%	13.10%			
MSCI ACWI Index		17.49%	5.44%	10.06%	9.23%			
MSCI ACWI ex USA Index		5.53%	0.82%		4.10%	4.80%		
MSCI Emerging Markets Index		7.50%	(1.92)%		1.70%	3.64%		

(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

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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, 42.1% of the Fund's long holdings were invested in SMID, Mid and Mid/Large-Cap securities (as defined by Russell, Inc.) as of 12/31/2024 (SMID represents 12.6% of the portfolio and has market market capitalizations between \$5.2 – \$15.8 billion; Mid represents 24.8% and has market capitalizations between \$15.8 – \$52.6 billion; Mid /Large represents 4.7% and has market capitalizations between \$52.6 – \$180.5 billion).
- (5) The Broad-Based Benchmark for Baron Discovery Fund, Baron Growth Fund, Baron Small Cap Fund, Baron Focused Growth Fund, Baron Asset Fund, Baron Partners Fund, and Baron Health Care Fund is Russell 3000 Index. The Broad-Based Benchmark for Baron Durable Advantage Fund, Baron Fifth Avenue Growth Fund, Baron Opportunity Fund, Baron FinTech Fund, Baron Real Estate Fund, Baron Real Estate Income Fund, Baron Technology Fund, and Baron WealthBuilder Fund is S&P 500 Index. The Broad-Based Benchmark for Baron Emerging Markets Fund is MSCI Emerging Markets Index. The Broad-Based Benchmark for Baron International Growth Fund is MSCI ACWI ex USA Index. The Broad-Based Benchmark for Baron Global Advantage Fund, Baron FinTech Fund, Baron Technology Fund, and Baron WealthBuilder Fund is MSCI ACWI Index.
- (6) As of 9/30/2024.
- (7) Comprised of operating expenses of 1.04% and interest expense of 0.01%.
- (8) As of 12/31/2023.
- (9) Comprised of operating expenses of 1.04% and interest expense of 0.95%.
- (10) Gross annual expense ratio was 1.00%, but the net annual expense ratio was 0.70% (net of Adviser's fee waivers).
- (11) Gross annual expense ratio was 0.78%, but the net annual expense ratio was 0.76% (net of Adviser's fee waivers, including interest expense of 0.01%).
- (12) Gross annual expense ratio was 0.95%, but the net annual expense ratio was 0.91% (net of Adviser's fee waivers, including interest expense of 0.01%).
- (13) Gross annual expense ratio was 0.98%, but the net annual expense ratio was 0.95% (net of Adviser's fee waivers).
- (14) Based on estimated amounts for the current fiscal year.
- (15) Gross annual expense ratio was 6.79%, but the net annual expense ratio was 1.20% (net of Adviser's fee waivers and expense reimbursements).
- (16) Gross annual expense ratio was 1.21%, but the net annual expense ratio was 0.95% (net of Adviser's fee waivers).
- (17) Gross annual expense ratio was 0.88%, but the net annual expense ratio was 0.85% (net of Adviser's fee waivers).
- (18) Gross annual expense ratio was 0.96%, but the net annual expense ratio was 0.80% (net of Adviser's fee waivers).
- (19) Gross annual expense ratio was 5.04%, but the net annual expense ratio was 0.95% (net of Adviser's fee waivers and expense reimbursements).
- (20) Gross annual expense ratio was 1.22%, but the net annual expense ratio was 1.19% (includes acquired fund fees and expenses, net of the expense reimbursements).
- † The Fund's historical performance was impacted by gains from IPOs. There is no guarantee that these results can be repeated or that the Fund's level of participation in IPOs will be the same in the future.

Investors should consider the investment objectives, risks, 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 may waive or reimburse certain Fund expenses pursuant to a contract expiring on August 29, 2035, unless renewed for another 11-year term and the Fund's transfer agency expenses may be reduced by expense offsets from an unaffiliated transfer agent, without which performance would have been lower. Current performance may be lower or higher than the performance data quoted. For performance information current to the most recent month end, visit BaronCapitalGroup.com or call 1-800-99-BARON.

Performance 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.

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

Risk: All investments are subject to risk and may lose value. Index performance is not fund performance; one cannot invest directly into an index. BAMCO, Inc. is an investment adviser registered with the U.S. Securities and Exchange Commission (SEC). Baron Capital, Inc. is a broker-dealer registered with the SEC and member of the Financial Industry Regulatory Authority, Inc. (FINRA).

The **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 41% 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.

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

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

Ranking information provided is calculated for the **Institutional Share Class** and is as of **12/31/2024**. The number of share classes in each category may vary depending on the date that Baron downloaded information from Morningstar Direct. **Morningstar calculates its category average performance and rankings using its Fractional Weighting methodology. Morningstar rankings are based on total returns and do not include sales charges.** Total returns account for management, administrative, and 12b-1 fees and other costs automatically deducted from fund assets. The **Morningstar Large Growth Category** consisted of 1088, 952, and 748, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Opportunity Fund in the 6th, 4th, 3rd, and 2nd percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 2/29/2000, and the category consisted of 547 share classes. Morningstar ranked Baron Partners Fund in the 30th, 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 686 share classes. The **Morningstar Mid Cap Growth Category** consisted of 495, 440, and 358, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Asset Fund in the 71st, 68th, 34th, and 13th percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 6/12/1987, and the category consisted of 57 share classes. Morningstar ranked Baron Growth Fund in the 91st, 61st, 42nd, and 3rd percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 12/31/1994, and the category consisted of 145 share classes. Morningstar ranked Baron Focused Growth Fund in the 9th, 1st, 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 382 share classes. The **Morningstar Small Cap Growth Category** consisted of 552, 517, and 395, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Small Cap Fund in the 52nd, 26th, 22nd, and 9th percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 9/30/1997, and the category consisted of 232 share classes. Morningstar ranked Baron Discovery Fund in the 31st, 28th, and 6th percentiles for the 1-, 5-, and since inception periods, respectively. The Fund launched 9/30/2013, and the category consisted of 490 share classes. The **Morningstar Real Estate Category** consisted of 220, 194, and 146, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Real Estate Fund in the 9th, 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 1st, 2th, and 2th percentiles for the 1-, 5-, and since inception periods, respectively. The Fund launched 12/29/2017, and the category consisted of 196 share classes. The **Morningstar Foreign Large Growth Category** consisted of 384, 334, 210, 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 54th, 70th, 44th, and 21st, respectively. The **Morningstar Diversified Emerging Markets Category** consisted of 787, 632, 430, and 363 share classes for the 1-, 5-, 10-year, and since inception (12/31/2010) periods. Morningstar ranked Baron Emerging Markets Fund in the 31st, 70th, 68th, and 11th, respectively. The **Morningstar Health Category** consisted of 176, 149, and 135 share classes for the 1-, 5-, and since inception (12/31/2018) periods. Morningstar ranked Baron Health Care Fund in the 54th, 5th, and 1st, respectively. The **Morningstar Global Large Stock Growth Category** consisted of 342, 278, 196, and 207 share classes for the 1-, 5-, 10-year and since inception (4/30/2012) periods. Morningstar ranked Baron Global Advantage Fund in the 14th, 95th, 26th and 19th, 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 2nd, and 14th, respectively. The **Morningstar Aggressive Allocation Category** consisted of 185, 169, and 176 share classes for the 1-, 5-year, and since inception (12/29/2017) periods. Morningstar ranked Baron WealthBuilder Fund in the 9th, 1st, and 1st, respectively. © 2025 Morningstar. All Rights Reserved. The Morningstar information contained herein: (1) is proprietary

Letter from Ron

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Portfolio holdings as a percentage of net assets as of December 31, 2024 for securities mentioned are as follows: Space Exploration Technologies Corp. - Baron Asset Fund (4.9%), Baron Fifth Avenue Growth Fund (1.4%), Baron Focused Growth Fund (11.4%), Baron Global Advantage Fund (10.3%), Baron Opportunity Fund (3.9%), Baron Partners Fund (15.1%*); MSCI Inc. - Baron Asset Fund (0.7%), Baron Durable Advantage Fund (2.3%), Baron FinTech Fund (2.7%), Baron Focused Growth Fund (3.3%), Baron Growth Fund (11.4%), Baron Partners Fund (1.7%*); Arch Capital Group Ltd. - Baron Asset Fund (4.4%), Baron Durable Advantage Fund (1.7%), Baron FinTech Fund (2.4%), Baron Focused Growth Fund (3.9%), Baron Growth Fund (11.4%), Baron International Growth Fund (2.4%), Baron Partners Fund (6.4%*); Verisk Analytics, Inc. - Baron Asset Fund (5.5%), Baron FinTech Fund (2.5%), Baron Focused Growth Fund (2.1%); Red Rock Resorts, Inc. - Baron Discovery Fund (0.9%), Baron Focused Growth Fund (3.5%), Baron Growth Fund (1.5%), Baron Partners Fund (1.0%*), Baron Real Estate Fund (1.0%), Baron Small Cap Fund (3.3%).

As of December 31, 2024, no Fund held shares of Scream Ice Cream, United Airlines, Hawaiian Air, Air France, SAS, T-Mobile, NASDAQ, or Berkshire Hathaway.

*% of Long Positions.

Top 10 Holdings

Baron Partners Fund 12/31/2024

Holding	% of Long investments
Tesla, Inc.	41.3
Space Exploration Technologies Corp.	15.1
Arch Capital Group Ltd.	6.4
Hyatt Hotels Corporation	5.7
CoStar Group, Inc.	5.6
Gartner, Inc.	3.6
The Charles Schwab Corporation	3.6
FactSet Research Systems Inc.	3.5
Vail Resorts, Inc.	3.0
IDEXX Laboratories, Inc.	2.9
Total	90.7
Long Equity Exposure	112.3
Cash & Equivalents	(12.3)

Top 10 Holdings

Baron Focused Growth Fund 12/31/2024

Holding	% of Net assets
Tesla, Inc.	11.7
Space Exploration Technologies Corp.	11.4
Spotify Technology S.A.	5.5
Vail Resorts, Inc.	4.6
Interactive Brokers Group, Inc.	4.5
Guidewire Software, Inc.	4.2
Hyatt Hotels Corporation	4.1
On Holding AG	4.0
Arch Capital Group Ltd.	3.9
CoStar Group, Inc.	3.5
Total	57.4

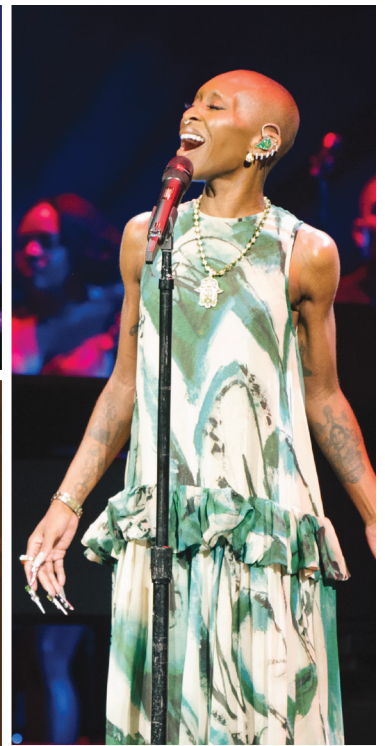
Portfolio holdings are subject to change. Current and future portfolio holdings are subject to risk.

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.

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).



2024 Baron Investment Conference: (First row, from left to right) Lee Shavel, President and CEO of Verisk Analytics, Inc., discusses innovative software solutions for insurers. Frank J. Fertitta III, Chairman and CEO of Red Rock Resorts, Inc., and his brother Lorenzo J. Fertitta, Vice Chairman of Red Rock Resorts, Inc., offer insights into the Las Vegas gaming market. Henry Fernandez, Chairman and CEO of MSCI Inc., shares his inspiring story of both personal and professional success. (Second row, from left to right) Mike Lippert, Head of Technology Research and Portfolio Manager of Baron Opportunity Fund and Baron Technology Fund, and Ashim Mehra, Portfolio Manager of Baron Technology Fund, discuss the long-term potential of investments in technology and innovation. Michael Baron, Co-President and Portfolio Manager of Baron Partners Fund and Baron WealthBuilder Fund, opens the afternoon portion of the Baron Investment Conference. Our next generation of leadership: Baron Capital COO Rachel Stern and Co-Presidents David Baron, Portfolio Manager of Baron Focused Growth Fund, and Michael Baron, Portfolio Manager of Baron Partners Fund and Baron WealthBuilder Fund. (Third row, from left to right) Baron Capital employees at the home office in New York City. Amy Chasen, Director of Research at Baron Capital, moderates a Q&A session. Andrew Peck, Co-CIO and Portfolio Manager of Baron Asset Fund, Neal Rosenberg, Portfolio Manager of Baron Growth Fund, and Michael Baron, Co-President and Portfolio Manager of Baron Partners Fund and Baron WealthBuilder Fund. (Fourth row, from left to right) At the 31st Annual Baron Investment Conference, we dedicated the day to Building Legacy: one of finding great businesses and investing in them for the long term. Ron from 500 years in the future makes a special appearance, traveling from Planet Musk to discuss the coming age of abundance. A glimpse inside the historic Metropolitan Opera House.



2024 Baron Investment Conference: (First row, from left to right) Country-pop icon Carrie Underwood wows the crowd at David Geffen Hall. Shaina Taub and the cast of the hit Broadway musical Suffragette perform at Alice Tully Hall. Broadway star and Oscar-nominated actress Cynthia Erivo takes the stage at David Koch Theater. (Second row, from left to right) Israeli pop sensation Noa Kirel performs Hatikvah. Tony Award winner Kelli O'Hara sings a heartfelt rendition of God Bless America. (Third row, from left to right) Ron Baron poses in a Scream Ice Cream truck, the sweetest ride at the Baron Investment Conference! Attendees enjoyed free ice cream as the final treat of the day. Alex Umansky, Portfolio Manager of Baron Durable Advantage Fund, Baron Fifth Avenue Growth Fund, and Baron Global Advantage Fund, was featured on the NASDAQ Tower billboard. (Fourth row, from left to right) The Baron Investment Conference isn't just for humans... Meet Tesla Optimus, the humanoid robot who joined the action. A Tesla Model X on display at Lincoln Center Plaza turned heads and charged up excitement all day long. Nearly 4,000 Baron Funds' shareholders attended the 31st Annual Baron Investment Conference, marking it another fantastic turnout.

Ron's Conference Speech: Building Legacy

31st Annual Baron Investment Conference
November 15, 2024



The theme of Baron Capital's 31st Annual Conference is **Building Legacy**.

But before we discuss Building Legacy, I would like you to think about what you would like your legacy to be ... maybe we will give you some ideas today ...

We want to begin by bringing you an important message.

For you, it is the year 2024 on Planet Earth.

This afternoon, in one small step for man ... one giant leap for mankind ... an esteemed guest will visit us from 500 Earth years in the future!

HOLOGRAM: Future Ron



"Hi. It's me, Ron. I'm back. Remember when I told you I never intended to retire and I believed I would never die? I was right! Today I'm 581 years old and visiting you from Planet Musk ... you know it as Mars ...

You must be wondering how I got here. After Elon Musk created interplanetary human civilization with SpaceX, he focused on solving the riddle of the space-time continuum – and succeeded! He bought an old watch company and re-engineered the wristwatch so we can travel through time ... that company? You guessed it – TimeX!

The future that Elon envisioned came true! The Neuralinking, the Hyperlooping, the Optibots and even the robo-taxis.

Before I return to Planet Musk, here's the thing I've traveled all this way to tell you: you should be so optimistic about the future! In 2024, Baron

Capital told you that **Exceptional Takes Time**.

What was true then still is. Think about it. If you invest just \$1,000 today in an extraterrestrial ETF, it will be worth \$51.5 quadrillion dollars in 500 years, with just a 7% CAGR. You're all going to be quadrillionaires!

Of course, Intergalactic FINRA wants me to remind you that future performance is no guarantee of past results ... or something like that."

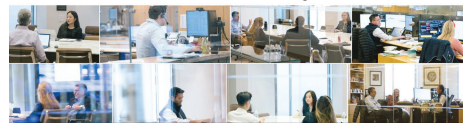
LIVE: Present Ron

Thanks, Future Ron. You look pretty good for 581 years old.

Legacy is not about what we have accomplished. It is about what we are building for your families and ours.



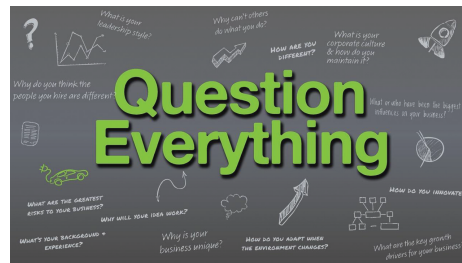
We Invest in People



We are continuing to invest in people ... the talented individuals who work at Baron Capital, and the exceptional leaders of growth companies we own.

How do we outperform?

We train analysts to think differently and to continue building Baron's AI: **Analyst Intelligence**.



Question Everything is the culture woven into the fabric of our organization.

Most importantly, why did we found Baron Capital? And why am I still working? Which is what my wife Judy asks me all the time ... We are not just selling pencils. We are changing lives.

Our mission is to invest on behalf of middle-class Americans like my parents, not just the wealthy, and to give all hardworking people a chance to achieve financial security.

Baron Capital is 42 years old. We began **Building Legacy** on Day One. Our intent will help you understand why 500 years from now, Baron Capital will still be providing awesome investment performance for its clients throughout the galaxies.



Okay. What do we do?

I. WE INVEST IN AWESOME PEOPLE.

We analogize Baron Capital to a teaching hospital for young doctors, nurses and health care workers.



Teaching hospitals are affiliated with medical schools. They provide exceptional clinical care, intensive training for health care workers and pioneering research.

CLIP: Seinfeld – Seinfeld and Kramer in the operating room

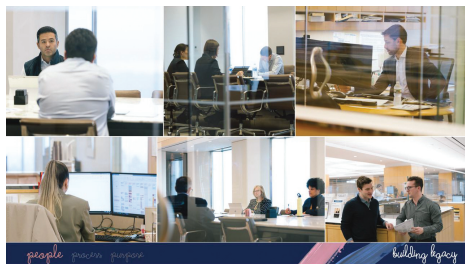


Amazingly, Kramer's Junior Mint actually cured that patient's infection. Kind of like bleach ...

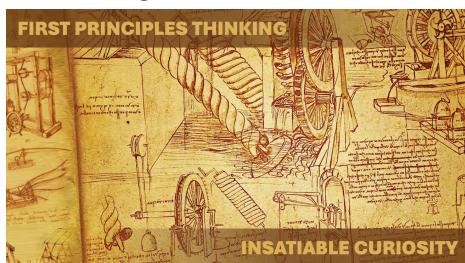
Teaching hospitals, aside from that one, have statistically better patient outcomes than those of hospitals not associated with medical schools.

Similarly, Baron Capital's investor outcomes are a lot better than benchmarks' outcomes and those of almost all other mutual funds, because we hire, train and retain awesome analysts, whom we teach to conduct unconventional, first-principles research.

Ron's Conference Speech: Building Legacy



We tear down businesses and reassemble them in our minds to determine whether they are different enough to become successful.



Our curiosity is insatiable. Most investors fixate on quarterly earnings. We evaluate businesses' long-term prospects.

Six years ago, we visited NVIDIA. Jensen Huang then tried to explain to me applications for his GPU super chips.

Ron Visits Nvidia's Headquarters
Nov. 28, 2018



I thought he was telling me how to mine bitcoins and create pretty girls in video games. There was obviously a much bigger opportunity I missed.

Lucky for you, our talented tech team got it and invested ... I'm totally depressed I didn't.

Our family business' no-layoff policy is one reason Baron Capital attracts and retains young people. Another? Employee "tracking" investments that vest over time and let them build wealth.

Analysts are not fired because our business on occasion is not doing well. Analyst tenure is as important to us as a health care researcher's tenure is to a teaching hospital.

Keeping analyst and research teams intact maintains proprietary knowledge – the foundation for our exceptional investment results.

What attributes do we seek in analysts and in the executives of businesses in which we invest?

Intelligence, authenticity and humility are tablestakes.

Integrity.

At the end of the day, reputation is all you've got.



Tom Pritzker, like his dad Jay, is a handshake guy.

Whatever Stewart Bainum says you can take to the bank.

I have never met anyone more focused on what is best for his shareholders than Henry Fernandez.

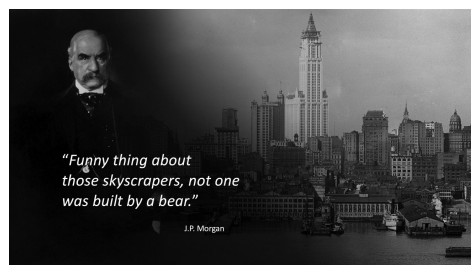
Character is the defining quality we admire among the individuals we hire and in whom we invest.

Optimism.

Soon after the Panic of 1907, J.P. Morgan was visited by a friend from Chicago. That individual, a pessimist, believed the recent panic vindicated his outlook.

After lunch, the two men walked up Broadway. Morgan's friend, admiring the skyscrapers beginning to define the New York skyline, remarked, "There's nothing like this in Chicago."

"Funny thing about those skyscrapers," noted Morgan. "Not one was built by a bear."



J.P. Morgan's legacy was optimism. So is ours.

We hire analysts for qualities you cannot teach and that a resume does not reveal.

Hunger.

Relentless drive.

We are supportive of spending time with families, but it takes a lot of hours to become an extraordinary investor. Work-life balance is not our top priority.



"Is your office open on weekends?" is a much better question from an analyst candidate than "How many days can I work from home?"

It is not unusual for us to have an entire interview with an analyst candidate without even mentioning stocks!

It is not unusual for us to have a meeting with a business leader where short-term earnings are incidental to the conversation.

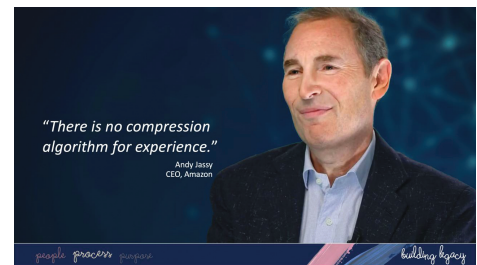
II. PROCESS. HOW DO WE OUTPERFORM?



Just like AI "trains" compute on vast amounts of data, we train exceptional analysts – who are our "compute" – on Baron proprietary research.

We call this Baron's AI: **Analyst Intelligence.**

Like Amazon's CEO, Andy Jassy, we believe there is no compression algorithm for experience.



We do the research and train analysts to learn from and continue building this database.

We do not rely on others' research and opinions.

Ron's Conference Speech: Building Legacy

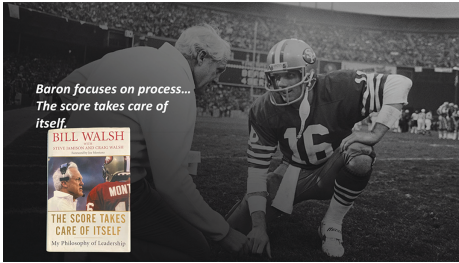
What are the pillars of our process?



How do we train Baron Capital's awesome analysts?

1. In a world focused on quarterly earnings, Baron Capital focuses on process.

Every single day. Not short-term outcomes.



When you focus on fundamentals, the score takes care of itself.

2. We OWN IT!



We do not trade stocks and we do not worry about the macro. We invest.

Our objective is compounding.

Although most believe it is illogical to not sell, we believe being different and investing in growth businesses for the long term is why 97% of our assets have outperformed.

It is easy to buy a stock. It is hard to hold a stock.

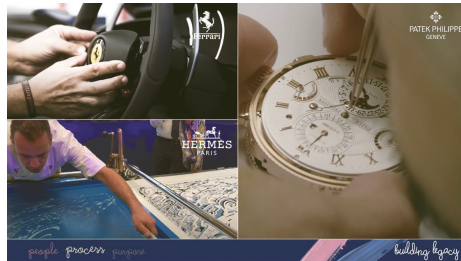
CLIP: *Seinfeld* – *Seinfeld* at car rental



It's all about the holding.

3. Invest in what people cannot see.

Invest in quality not price.



When Judy and I were young and lived in a small New York City rental apartment, her friends lived in exclusive coops.

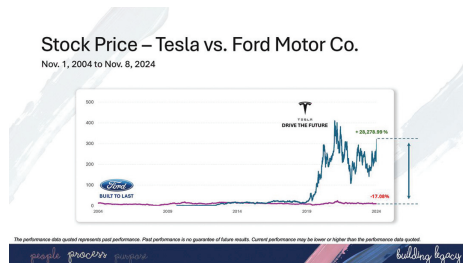


She told me quality was "in the walls" of their homes.

4. People cannot wrap their heads around what does not exist.

Ford's slogan is "Built to Last." But the company is not building ... it is selling the stuff it has already built.

Ford did not innovate.



Ford could not imagine electric cars ... it could not imagine connected cars ... and it certainly could not imagine self-driving cars.

5. If you want to be the best, you need to care about details.

Elon chooses the mural on a parking garage.

Stuart Bainum picks the wallpaper in his retirement facilities.

I worry about whether the fish in our 48th floor koi pond are getting along!



6. Conflicts.

We want them.

Michael Baron took a course on family businesses at Wharton while studying for his MBA. When two brothers were being questioned by the professor, they said they never disagree. The professor responded, "If that is the case, you only need one of you to do the job."

Conflicts mean better decisions.



Things usually don't go this far.

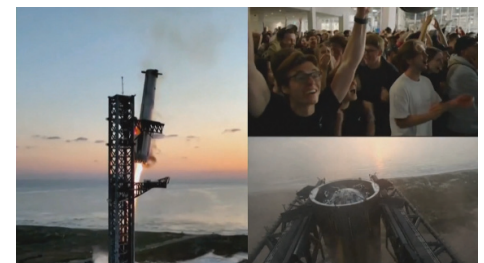
7. Challenge conventional thinking.

That's Elon's thing – his legacy!

First principles. Doing things better ... simpler ... faster ... that others didn't think possible!

That's where there is unusual growth potential.

CLIP: SpaceX rocket booster caught by Mechazilla arms



Virtually everyone thought it inconceivable to refly rockets. Not Elon.

Obviously, if you can reuse rockets, the only cost to relaunch is fuel.

Against the odds ... he did it.

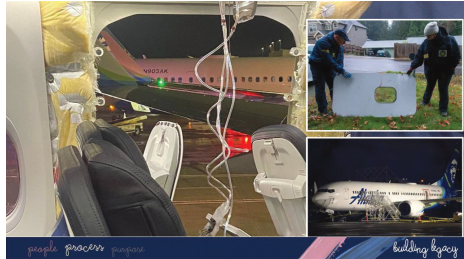
8. "Show me the incentives and I'll show you the outcomes."

That was Charlie Munger's explanation for executive inertia.

Ron's Conference Speech: Building Legacy

The aerospace industry is cost plus.

A great example of what can go wrong – what can go scary wrong for our country, actually – is really bad incentives.



That's why I prefer aisle seats.

9. Invest in businesses when they are investing in their own businesses and penalizing current profits.

That's what we teach our analysts, and it is one of the most important reasons we outperform!

10. We train analysts to assess risks and product validity, often before products are fully baked.



Without entrepreneurs willing to “ship before ready” and innovate in public, there would be no electric cars ...

- no Full Self-Driving cars ...
- no SpaceX reusable rockets ...
- no Starlink satellite broadband ...
- no Fulfilled by Amazon ...
- no ride sharing ...
- no mobile phones ...
- no Cybertrucks ...

This is what it looks like to innovate in public.

CLIP: Elon and Tesla designer Franz von Holzhausen throwing steel ball at Cybertruck



Elon: “Well, it didn’t go through.”

That’s the cost of taking risks.

One more thing. A lesson from last month’s World Series ... talent is not enough.

The Los Angeles Dodgers’ scouting report on the New York Yankees read, “Loaded with talent. Lacking in fundamentals. Force them to execute.”

At a crucial moment, a Yankees future Hall of Fame pitcher did not cover first base and allowed a run that cost the game.

An unforced error.

CLIP: Gerrit Cole not covering first base



Baron Capital’s talented analysts continuously practice fundamentals – the pillars of our process – to avoid unforced errors.

Okay. Rounding third and heading home ...

III. PURPOSE. THAT’S THE “WHY?”

We are mission driven. That’s the “why?”

People make countless decisions as they choose how to live their lives.

Why have we chosen to build an investment firm? And why a mutual fund business that invests for middle class and working class individuals as well as the wealthy?

I started today by describing Baron Capital’s mission to give middle class Americans like my parents an opportunity to invest and create financial security.

I am going to end with my idea that the measure of our legacy is what we are building for you and your families and generations to come, not just what we have already built.

We think about **Building Legacy** every day and the impact we have on others’ lives. Our mission to impact lives is the “why” we work so hard.

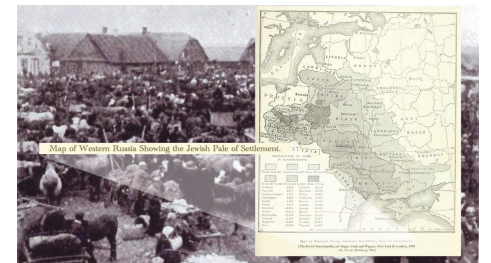
My personal goal, as a corollary to our success in helping individuals and institutions who trust us to invest for them, is to support the most innovative entrepreneurs and business founders in raising capital for businesses that are changing

lives like MSCI, Arch Capital, Red Rock Resorts, Verisk Analytics, SpaceX, Tesla and xAI.



This is one of the reasons Baron research analyst jobs are so compelling ... and fun!

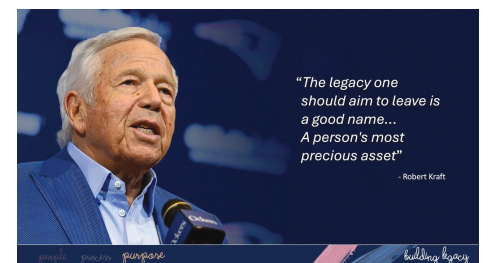
Like many of your grandparents, mine were immigrants.



My grandparents came to America in the early 1900s to escape religious persecution in Eastern Europe – Ukraine, Poland and the Pale in Russia – to own a home, educate their children and, despite poverty, instill their culture, values and *tzedakah* (charity) in their families.



Their legacy was not passing tangible property to children. They passed values through what my friend New England Patriots’ owner Robert Kraft calls an “ethical will.”



My immigrant grandparents did not think about legacy the way we do. They were not thinking

Ron's Conference Speech: Building Legacy

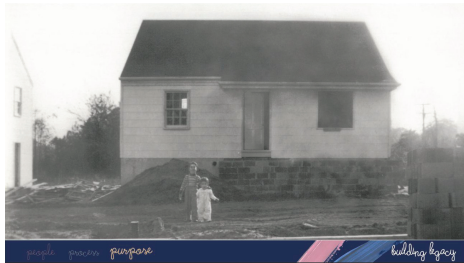
about retirement portfolios or financial investments – they did not have any.



They were thinking about survival, getting through each day, selling more shoes from a pushcart than the week before ... or making more candles.



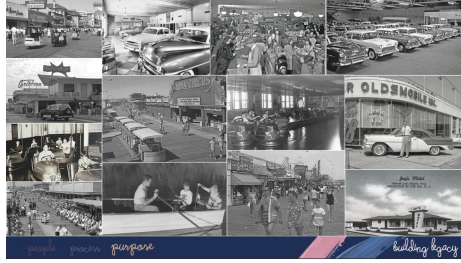
My parent's first house in 1948 cost \$5,000. It is now worth \$500,000 in present day dollars! 76 years. Seven doubles. 6.5% CAGR. Talk about inflation ...



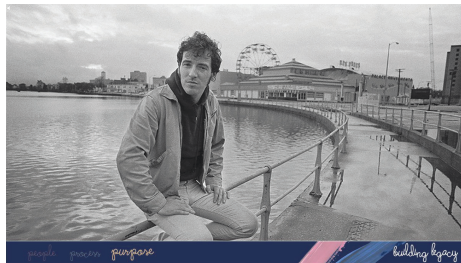
Fast forward several years and my dad – an engineer for the Army at Fort Monmouth – and my mom, a bookkeeper at Camp Evans, were trying to figure out how to afford college for my brother, Collin, and me.



When I was in grammar school, it became obvious to me that many of my friends' families seemed to have it easier than my parents.



They owned things – bumper car rides and games of chance on the boardwalk, car dealerships, grocery stores, motels, real estate brokerages, law firms, stocks. They had bigger houses and nicer cars than ours ... and boats ... and were solidly middle class.



That's the Boss on the boardwalk in my hometown, Asbury Park, singing about the working class aspirations to reach middle class.

"Pop, are we middle class yet?" When I was young, that was a question I asked my dad regularly.



I don't remember exactly when he answered, "Yes, Ronnie."

I do remember how proud he was when he said, "yes." I think it was in 1956, when I was a bar mitzvah.

My dad's salary as an Army engineer had just reached \$10,000 and we had moved into a new house he had built for \$20,000, which is now worth \$1.25 million in present day dollars. 67 years. Six doubles. 6.2 % CAGR.



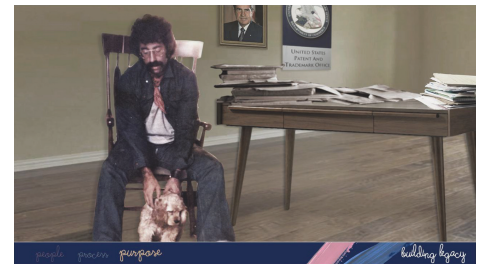
In the summer of 1963, I worked as a lifeguard by day and was injured on the job.

I used my \$600 disability payment to buy that used car ... looked cool ... but blew up on my way to college. Too bad I didn't fix it. That car is now worth \$28,000 present day dollars! 61 years. Five and a half doubles. 6.5% CAGR. Inflation is certainly not a four-year phenomenon.

When I learned about mutual funds in the 1960s, I thought, "What if I could invest in growth companies for a mutual fund that offered middle class families like mine a chance to build wealth?"

My parents wanted me to be a doctor and thought being an analyst was a *terrible* idea, but since I did not get into medical school, I won ... and so did you.

That is where the idea for Baron Capital and Baron mutual funds came from. My parents had never invested in stocks until they gave me \$5,000 to invest for them when I began my analyst career.



My mom called my fraternity brothers in college "animals." She called my motorcycle friends in Washington "hoodlums."

Whenever my father saw me, he said, "Get a haircut."

When I met Judy's father for the first time, he took her aside and said, "Honey ... you can do better ..."

It is immensely satisfying to me that I have helped create a business offering exceptional actively managed investment funds to individuals like my parents – today and for generations to come.

Ron's Conference Speech: Building Legacy

When we speak about legacy, we are not just talking about wealth. We are talking about the values we pass down, the opportunities we create, and the ways in which each generation builds on the work of the one before it ... *L'dor V'dor*, from "one generation to the next," as we say in Hebrew.

Several years ago, a rabbi at Central Synagogue gave a sermon that touched me. He described a program in London that had been in progress for 70 years.

Every 10 years from the age of seven, dozens of individuals were interviewed about their lives and aspirations – and filmed.

Many had what we would all consider happy, fulfilling lives. But it was sort of a bell curve. Many did not.

At age 70 they were shown their filmed interviews from throughout the decades and asked, "Do you think your younger self would like you? Would your younger self be proud of the life you've lived?"

I think for me the answer would be yes.

But thanks to time travel, I would also be interested to know if my future self would like my younger self.

HOLOGRAM: Future Ron returns

"Yeah. Present Ron's all right. But you got to wrap it up. I promised Elon I'd get back to planet Musk before Earthdown to race our Cybertrucks. Okay. Beam me up!"



Portfolio holdings as a percentage of net assets as of December 31, 2024 for securities mentioned are as follows: Space Exploration Technologies Corp. – Baron Asset Fund (4.9%), Baron Fifth Avenue Growth Fund (1.4%), Baron Focused Growth Fund (11.4%), Baron Global Advantage Fund (10.3%), Baron Opportunity Fund (3.9%), Baron Partners Fund (15.1%*); **NVIDIA Corporation** – Baron Durable Advantage Fund (5.0%), Baron Fifth Avenue Growth Fund (9.9%), Baron Global Advantage Fund (8.2%), Baron Opportunity Fund (11.3%), Baron Technology Fund (8.3%); **Amazon.com, Inc.** – Baron Durable Advantage Fund (7.4%), Baron Fifth Avenue Growth Fund (8.7%), Baron Opportunity Fund (7.0%), Baron Technology Fund (9.7%); **MSCI Inc.** – Baron Asset Fund (0.7%), Baron Durable Advantage Fund (2.3%), Baron FinTech Fund (2.7%), Baron Focused Growth Fund (3.3%), Baron Growth Fund (11.4%), Baron Partners Fund (1.7%*); **Arch Capital Group Ltd.** – Baron Asset Fund (4.4%), Baron Durable Advantage Fund (1.7%), Baron FinTech Fund (2.4%), Baron Focused Growth Fund (3.9%), Baron Growth Fund (11.4%), Baron International Growth Fund (2.4%), Baron Partners Fund (6.4%*); **Red Rock Resorts, Inc.** – Baron Discovery Fund (0.9%), Baron Focused Growth Fund (3.5%), Baron Growth Fund (1.5%), Baron Partners Fund (1.0%*), Baron Real Estate Fund (1.0%), Baron Small Cap Fund (3.3%); **Verisk Analytics, Inc.** – Baron Asset Fund (5.5%), Baron FinTech Fund (2.5%), Baron Focused Growth Fund (2.1%); **Tesla, Inc.** – Baron Fifth Avenue Growth Fund (4.5%), Baron Focused Growth Fund (11.7%), Baron Global Advantage Fund (1.7%), Baron Opportunity Fund (5.9%), Baron Partners Fund (41.3%*), Baron Technology Fund (3.5%); **X.AI Corp.** – Baron Asset Fund (1.7%), Baron Fifth Avenue Growth Fund (0.5%), Baron Focused Growth Fund (1.7%), Baron Opportunity Fund (0.7%).

* % of Long Positions

As of December 31, 2024 the Funds did not own shares of Mayo Clinic, Cleveland Clinic, New York Presbyterian, John Hopkins University, JPMorgan Chase & Co, Ferrari NV, Hermes International SA, Patek Phillippe SA, or Ford Motor Company.

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

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BARON CAPITAL'S TOP 25 HOLDINGS

As of 12/31/2024

Rank	Ticker	Security Name	Year of First Purchase ¹	Market Value (\$ Millions)	Ending Weight ² (%)	Total Realized and Unrealized Gains (\$ Millions)	Cumulative Total Return ³ (%)	Total Return Multiple (X)	Annualized Total Return (%)
1	TSLA	Tesla, Inc.	2014	\$5,888	12.3	\$7,617	3,295.9	34.0	38.2
2	931JQH909	Space Exploration Technologies Corp.	2017	\$4,434	9.3	\$3,358	1,190.1	12.9	42.0
3	IT	Gartner, Inc.	2007	\$1,897	4.0	\$2,703	1,802.9	19.0	18.1
4	ACGL	Arch Capital Group Ltd.	2002	\$1,890	3.9	\$2,245	3,296.8	34.0	16.8
5	CSGP	CoStar Group, Inc.	2001	\$1,375	2.9	\$1,652	4,026.2	41.3	17.4
6	MSCI	MSCI Inc.	2007	\$1,279	2.7	\$1,445	2,589.3	26.9	21.2
7	FDS	FactSet Research Systems Inc.	2006	\$1,131	2.4	\$1,382	1,042.9	11.4	14.4
8	GWRE	Guidewire Software, Inc.	2012	\$997	2.1	\$781	628.5	7.3	17.0
9	MTN	Vail Resorts, Inc.	1997	\$992	2.1	\$1,076	1,037.9	11.4	9.1
10	H	Hyatt Hotels Corporation	2009	\$871	1.8	\$662	476.8	5.8	12.3
11	IDXX	IDEXX Laboratories, Inc.	2005	\$829	1.7	\$2,020	2,772.6	28.7	18.4
12	KNSL	Kinsale Capital Group, Inc.	2016	\$803	1.7	\$844	2,510.2	26.1	47.3
13	CHH	Choice Hotels International, Inc.	1996	\$665	1.4	\$868	3,962.5	40.6	14.1
14	TSM	Taiwan Semiconductor Manufacturing Company Limited	2013	\$585	1.2	\$545	1,324.4	14.2	25.9
15	SCHW	The Charles Schwab Corporation	1992	\$534	1.1	\$1,509	11,871.9	119.7	16.1
16	RRR	Red Rock Resorts, Inc.	2016	\$525	1.1	\$238	212.7	3.1	14.0
17	ANSS	ANSYS, Inc.	2009	\$478	1.0	\$875	1,197.9	13.0	17.4
18	PRI	Primerica, Inc.	2010	\$449	0.9	\$627	1,522.5	16.2	20.8
19	MORN	Morningstar, Inc.	2005	\$440	0.9	\$487	1,772.2	18.7	16.1
20	SPOT	Spotify Technology S.A.	2020	\$401	0.8	\$38	268.4	3.7	31.6
21	NVDA	NVIDIA Corporation	2018	\$382	0.8	\$566	1,930.8	20.3	61.7
22	GLPI	Gaming and Leisure Properties, Inc.	2013	\$376	0.8	\$412	186.3	2.9	9.9
23	VRSK	Verisk Analytics, Inc.	2009	\$345	0.7	\$503	951.7	10.5	16.7
24	MTD	Mettler-Toledo International Inc.	2008	\$344	0.7	\$954	1,596.3	17.0	19.3
25	XAI.B	X.AI Corp.	2024	\$335	0.7	\$105	80.9	1.8	80.9

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 12/31/2024. Depending on Baron Capital's purchases and sales over the period, this performance may be lower or higher than the performance of the investment.

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

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

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

Portfolio holdings as a percentage of net assets as of December 31, 2024 for securities mentioned are as follows: **Tesla, Inc.** - Baron Fifth Avenue Growth Fund (4.5%), Baron Focused Growth Fund (11.7%), Baron Global Advantage Fund (1.7%), Baron Opportunity Fund (5.9%), Baron Partners Fund (41.3%*), Baron Technology Fund (3.5%); **Space Exploration Technologies Corp.** - Baron Asset Fund (4.9%), Baron Fifth Avenue Growth Fund (1.4%), Baron Focused Growth Fund (11.4%), Baron Global Advantage Fund (10.3%), Baron Opportunity Fund (3.9%), Baron Partners Fund (15.1%*); **Gartner, Inc.** - Baron Asset Fund (9.4%), Baron Growth Fund (9.2%), Baron Opportunity Fund (2.1%), Baron Partners Fund (3.6%*), Baron Small Cap Fund (5.6%), Baron Technology Fund (1.4%); **Arch Capital Group Ltd.** - Baron Asset Fund (4.4%), Baron Durable Advantage Fund (1.7%), Baron FinTech Fund (2.4%), Baron Focused Growth Fund (3.9%), Baron Growth Fund (11.4%), Baron International Growth Fund (2.4%), Baron Partners Fund (6.4%*); **CoStar Group, Inc.** - Baron Asset Fund (3.7%), Baron Durable Advantage Fund (1.8%), Baron FinTech Fund (0.9%), Baron Focused Growth Fund (3.5%), Baron Growth Fund (4.9%), Baron Opportunity Fund (2.2%), Baron Partners Fund (5.6%*), Baron Real Estate Fund (2.8%), Baron Technology Fund (1.6%); **MSCI Inc.** - Baron Asset Fund (0.7%), Baron Durable Advantage Fund (2.3%), Baron FinTech Fund (2.7%), Baron Focused Growth Fund (3.3%), Baron Growth Fund (11.4%), Baron Partners Fund (1.7%*); **FactSet Research Systems Inc.** - Baron Asset Fund (2.6%), Baron FinTech Fund (2.1%), Baron Focused Growth Fund (2.8%), Baron Growth Fund (7.1%), Baron Partners Fund (3.5%*); **Guidewire Software, Inc.** - Baron Asset Fund (4.9%), Baron Discovery Fund (2.5%), Baron FinTech Fund (3.3%), Baron Focused Growth Fund (4.2%), Baron Growth Fund (2.0%), Baron Opportunity Fund (1.6%), Baron Partners Fund (1.6%*), Baron Small Cap Fund (4.6%), Baron Technology Fund (0.8%); **Vail Resorts, Inc.** - Baron Asset Fund (2.3%), Baron Focused Growth Fund (4.6%), Baron Growth Fund (5.3%), Baron Partners Fund (3.0%*); **Hyatt Hotels Corporation** - Baron Asset Fund (1.9%), Baron Focused Growth Fund (4.1%), Baron Partners Fund (5.7%*), Baron Real Estate Fund (2.8%); **IDEXX Laboratories, Inc.** - Baron Asset Fund (5.1%), Baron Focused Growth Fund (3.5%), Baron Growth Fund (2.0%), Baron Health Care Fund (1.3%), Baron Partners Fund (2.9%*), Baron Small Cap Fund (0.2%); **Kinsale Capital Group, Inc.** - Baron Discovery Fund (2.2%), Baron FinTech Fund (1.1%), Baron Growth Fund (6.0%), Baron Small Cap Fund (4.8%); **Choice Hotels International, Inc.** - Baron Asset Fund (1.7%), Baron Focused Growth Fund (2.7%), Baron Growth Fund (6.0%); **Taiwan Semiconductor Manufacturing Company Limited** - Baron Durable Advantage Fund (4.7%), Baron Emerging Markets Fund (10.5%), Baron Fifth Avenue Growth Fund (2.7%), Baron Global Advantage Fund (1.1%), Baron International Growth Fund (3.6%), Baron Opportunity Fund (1.6%), Baron Technology Fund (4.1%); **The Charles Schwab Corporation** - Baron Asset Fund (2.6%), Baron FinTech Fund (1.2%), Baron Partners Fund (3.6%*); **Red Rock Resorts, Inc.** - Baron Discovery Fund (0.9%), Baron Focused Growth Fund (3.5%), Baron Growth Fund (1.5%), Baron Partners Fund (1.0%*), Baron Real Estate Fund (1.0%), Baron Small Cap Fund (3.3%); **ANSYS, Inc.** - Baron Asset Fund (1.4%), Baron Focused Growth Fund (1.6%), Baron Growth Fund (4.0%); **Primerica, Inc.** - Baron FinTech Fund (1.1%), Baron Growth Fund (4.9%); **Morningstar, Inc.** - Baron Asset Fund (1.2%), Baron FinTech Fund (2.5%), Baron Growth Fund (4.4%); **Spotify Technology S.A.** - Baron Asset Fund (1.1%), Baron Focused Growth Fund (5.5%), Baron Opportunity Fund (3.2%), Baron Partners Fund (1.1%*), Baron Technology Fund (5.5%); **NVIDIA Corporation** - Baron Durable Advantage Fund (5.0%), Baron Fifth Avenue Growth Fund (9.9%), Baron Global Advantage Fund (8.2%), Baron Opportunity Fund (11.3%), Baron Technology Fund (8.3%); **Gaming and Leisure Properties, Inc.** - Baron Growth Fund (3.5%), Baron Partners Fund (1.0%*); **Verisk Analytics, Inc.** - Baron Asset Fund (5.5%), Baron FinTech Fund (2.5%), Baron Focused Growth Fund (2.1%); **Mettler-Toledo International Inc.** - Baron Asset Fund (4.3%), Baron Durable Advantage Fund (1.3%), Baron Growth Fund (1.0%), Baron Health Care Fund (1.5%), Baron Small Cap Fund (0.7%); **X.AI Corp.** - Baron Asset Fund (1.7%), Baron Fifth Avenue Growth Fund (0.5%), Baron Focused Growth Fund (1.7%), Baron Opportunity Fund (0.7%).

* % of Long Positions

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INFLATION ACCORDING TO RON BARON

Did you know 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 billion ¹¹	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>

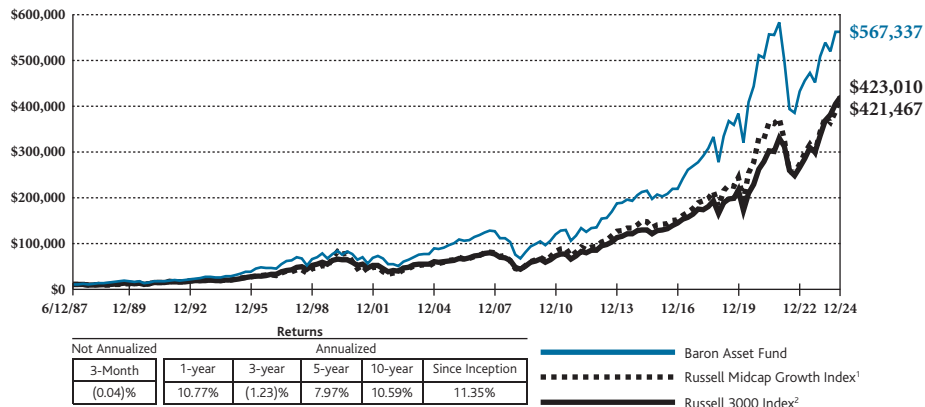
Risk: All investments are subject to risk and may lose value.

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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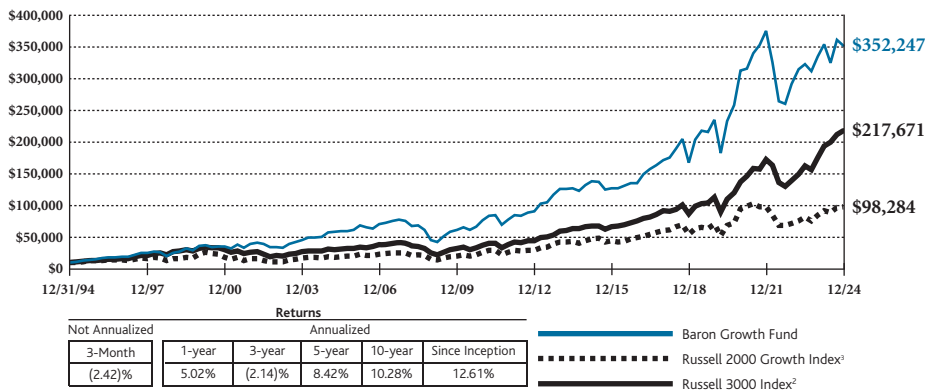
BARON ASSET FUND

COMPARISON OF THE CHANGE IN VALUE OF \$10,000 INVESTMENT IN BARON ASSET FUND (INSTITUTIONAL SHARES)[^] IN RELATION TO THE RUSSELL MIDCAP GROWTH INDEX AND THE RUSSELL 3000 INDEX



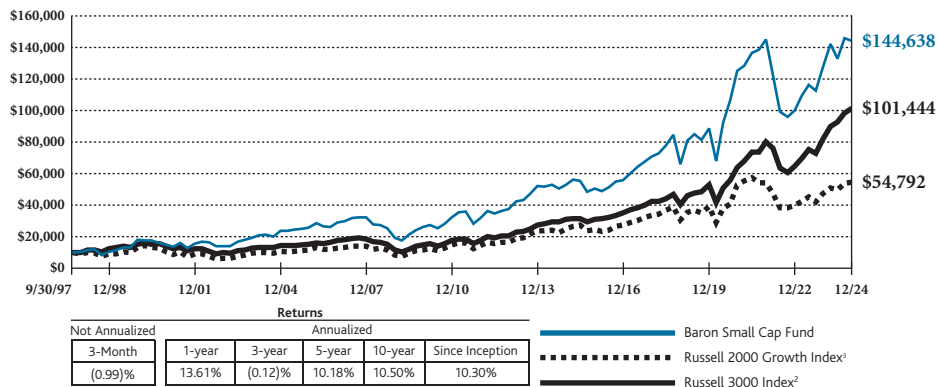
BARON GROWTH FUND

COMPARISON OF THE CHANGE IN VALUE OF \$10,000 INVESTMENT IN BARON GROWTH FUND (INSTITUTIONAL SHARES)[^] IN RELATION TO THE RUSSELL 2000 GROWTH INDEX AND THE RUSSELL 3000 INDEX



BARON SMALL CAP FUND

COMPARISON OF THE CHANGE IN VALUE OF \$10,000 INVESTMENT IN BARON SMALL CAP FUND (INSTITUTIONAL SHARES)[^] IN RELATION TO THE RUSSELL 2000 GROWTH INDEX AND THE RUSSELL 3000 INDEX



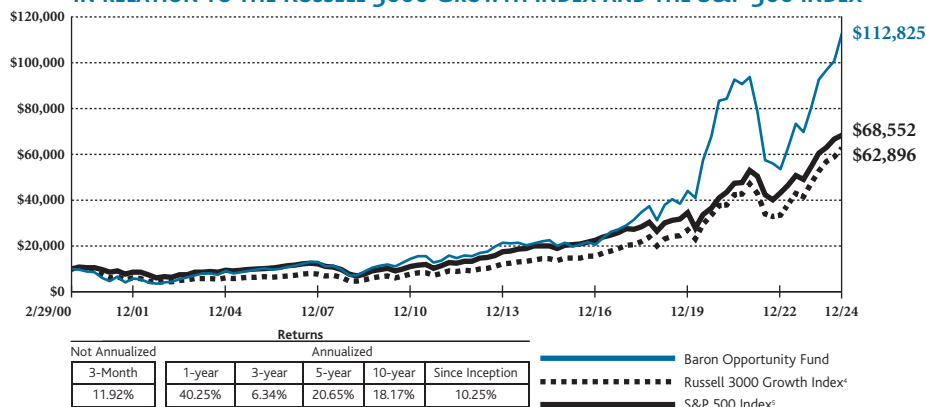
The Funds include reinvestment of dividends, net of foreign withholding taxes, while the Russell Midcap Growth Index, Russell 2000 Growth Index, and Russell 3000 Index include reinvestment of dividends before taxes. Reinvestment of dividends positively impacts performance results. The indexes are unmanaged.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

[^] Performance for the Institutional Shares prior to May 29, 2009 is based on the performance of the Retail Shares, which have a distribution fee. The Institutional Shares do not have a distribution fee. If the annual returns for the Institutional Shares prior to May 29, 2009 did not reflect this fee, the returns would be higher. See index footnotes on page 17.

Baron Funds Performance

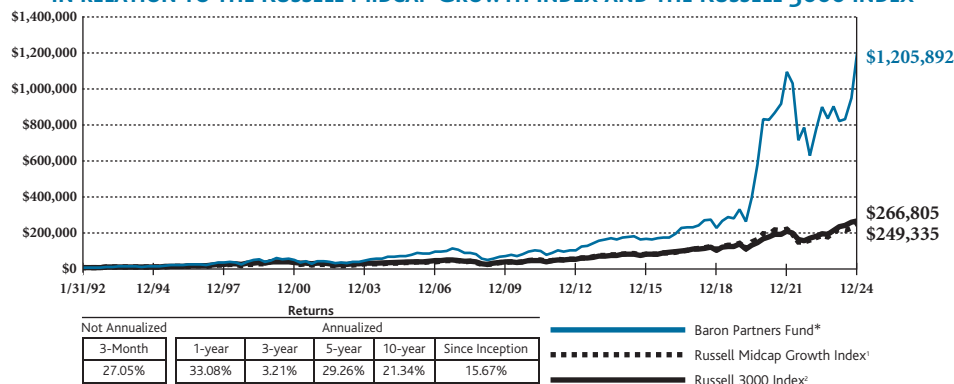
BARON OPPORTUNITY FUND

COMPARISON OF THE CHANGE IN VALUE OF \$10,000 INVESTMENT IN BARON OPPORTUNITY FUND (INSTITUTIONAL SHARES)[^] IN RELATION TO THE RUSSELL 3000 GROWTH INDEX AND THE S&P 500 INDEX



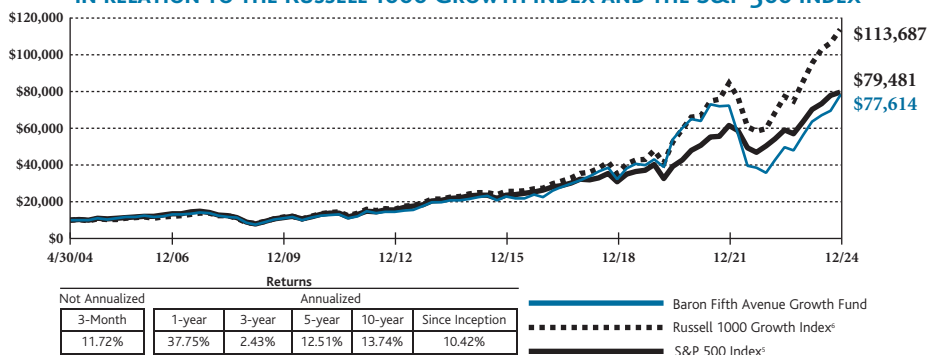
BARON PARTNERS FUND

COMPARISON OF THE CHANGE IN VALUE OF \$10,000 INVESTMENT IN BARON PARTNERS FUND (INSTITUTIONAL SHARES)[^] IN RELATION TO THE RUSSELL MIDCAP GROWTH INDEX AND THE RUSSELL 3000 INDEX



BARON FIFTH AVENUE GROWTH FUND

COMPARISON OF THE CHANGE IN VALUE OF \$10,000 INVESTMENT IN BARON FIFTH AVENUE GROWTH FUND (INSTITUTIONAL SHARES)[^] IN RELATION TO THE RUSSELL 1000 GROWTH INDEX AND THE S&P 500 INDEX



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

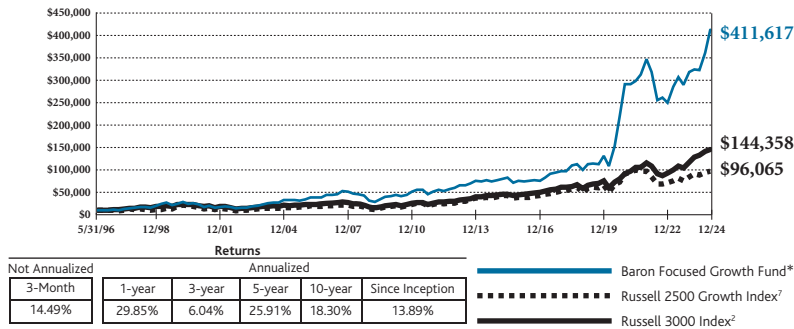
[^] Performance for the Institutional Shares prior to May 29, 2009 is based on the performance of the Retail Shares, which have a distribution fee. The Institutional Shares do not have a distribution fee. If the annual returns for the Institutional Shares prior to May 29, 2009 did not reflect this fee, 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 17.

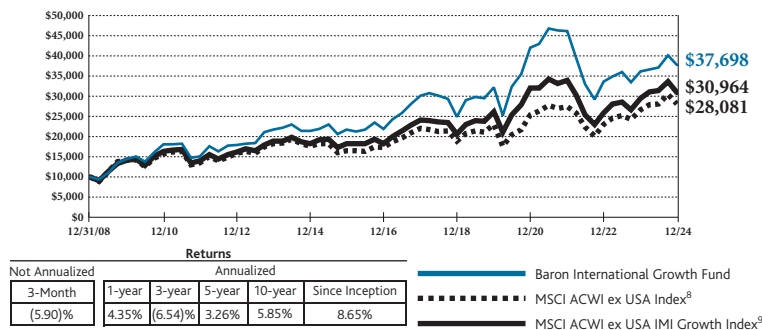
BARON FOCUSED GROWTH FUND

COMPARISON OF THE CHANGE IN VALUE OF \$10,000 INVESTMENT IN BARON FOCUSED GROWTH FUND (INSTITUTIONAL SHARES)[^] IN RELATION TO THE RUSSELL 2500 GROWTH INDEX AND THE RUSSELL 3000 INDEX



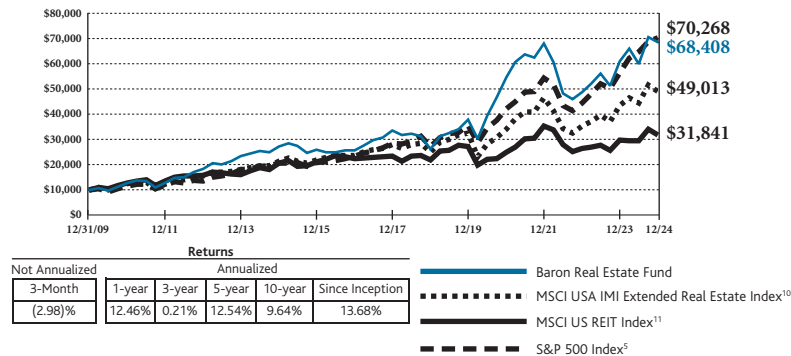
BARON INTERNATIONAL GROWTH FUND

COMPARISON OF THE CHANGE IN VALUE OF \$10,000 INVESTMENT IN BARON INTERNATIONAL GROWTH FUND (INSTITUTIONAL SHARES)[^] IN RELATION TO THE MSCI ACWI ex USA INDEX AND THE MSCI ACWI ex USA IMI GROWTH INDEX



BARON REAL ESTATE FUND

COMPARISON OF THE CHANGE IN VALUE OF \$10,000 INVESTMENT IN BARON REAL ESTATE FUND (INSTITUTIONAL SHARES) IN RELATION TO THE MSCI USA IMI EXTENDED REAL ESTATE INDEX, THE MSCI US REIT INDEX AND THE S&P 500 INDEX



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

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

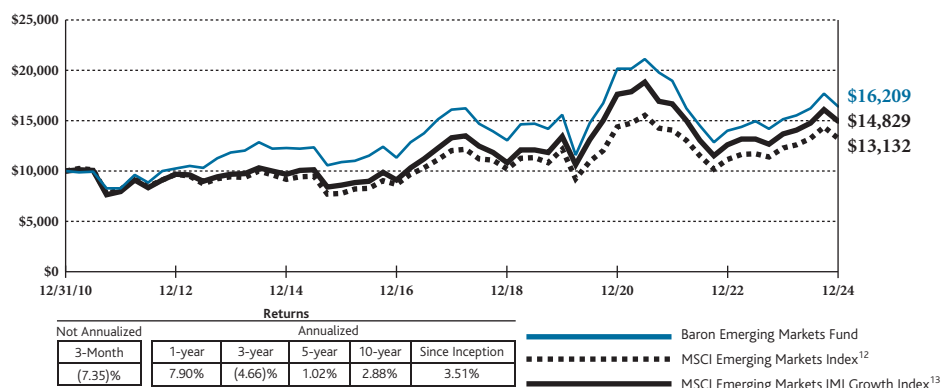
^{*} Reflects the actual fees and expenses that were charged when the Fund was a partnership. The predecessor partnership charged a 15% performance fee through 2003 after reaching a certain performance benchmark. If the annual returns for the Fund did not reflect the performance fees for the years the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

See index footnotes on page 17.

Baron Funds Performance

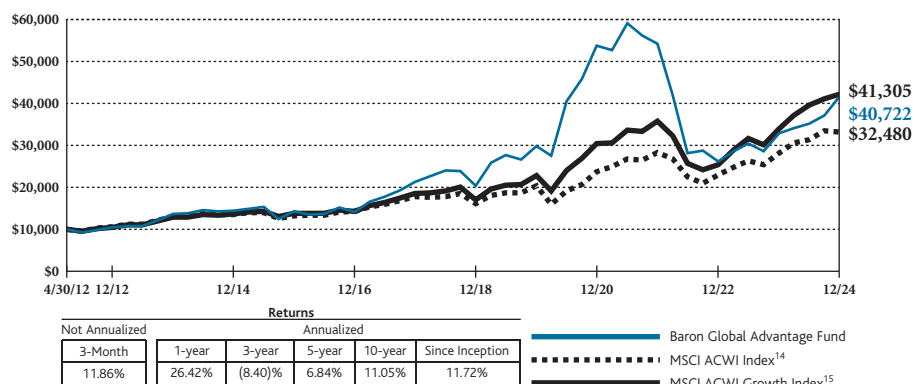
BARON EMERGING MARKETS FUND

COMPARISON OF THE CHANGE IN VALUE OF \$10,000 INVESTMENT IN BARON EMERGING MARKETS FUND (INSTITUTIONAL SHARES) IN RELATION TO THE MSCI EMERGING MARKETS INDEX AND THE MSCI EMERGING MARKETS IMI GROWTH INDEX



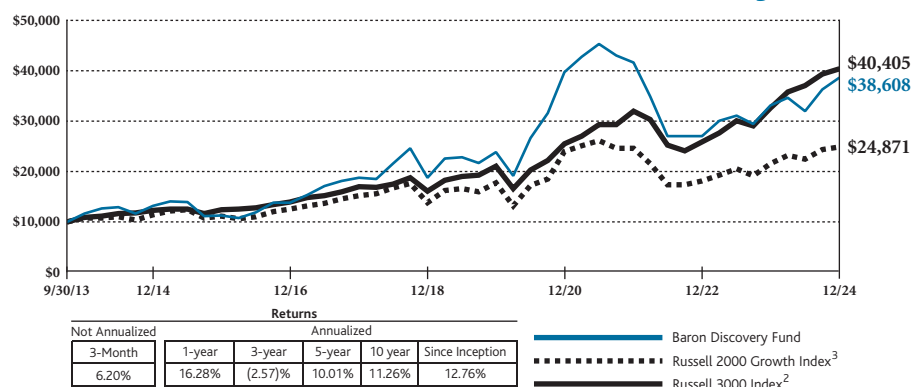
BARON GLOBAL ADVANTAGE FUND

COMPARISON OF THE CHANGE IN VALUE OF \$10,000 INVESTMENT IN BARON GLOBAL ADVANTAGE FUND (INSTITUTIONAL SHARES) IN RELATION TO THE MSCI ACWI INDEX AND THE MSCI ACWI GROWTH INDEX



BARON DISCOVERY FUND

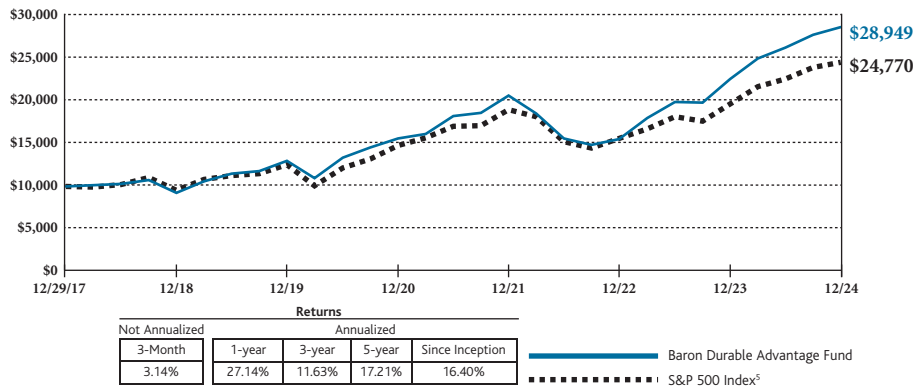
COMPARISON OF THE CHANGE IN VALUE OF \$10,000 INVESTMENT IN BARON DISCOVERY FUND (INSTITUTIONAL SHARES) IN RELATION TO THE RUSSELL 2000 GROWTH INDEX AND THE RUSSELL 3000 INDEX



The Funds, MSCI Emerging Markets Index, MSCI Emerging Markets IMI Growth Index, MSCI ACWI Index, and MSCI ACWI Growth Index include reinvestment of dividends, net of foreign withholding taxes, while the Russell 2000 Growth Index, and Russell 3000, include reinvestment of dividends before taxes. Reinvestment of dividends positively impacts performance results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly into an index. See index footnotes on page 17.

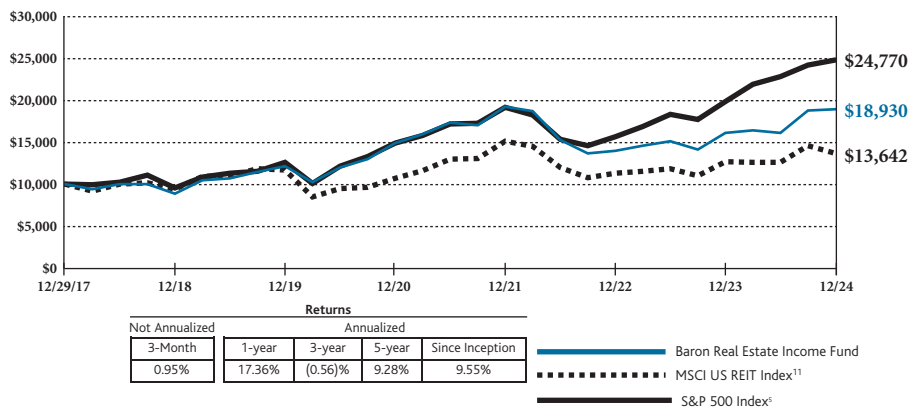
BARON DURABLE ADVANTAGE FUND

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



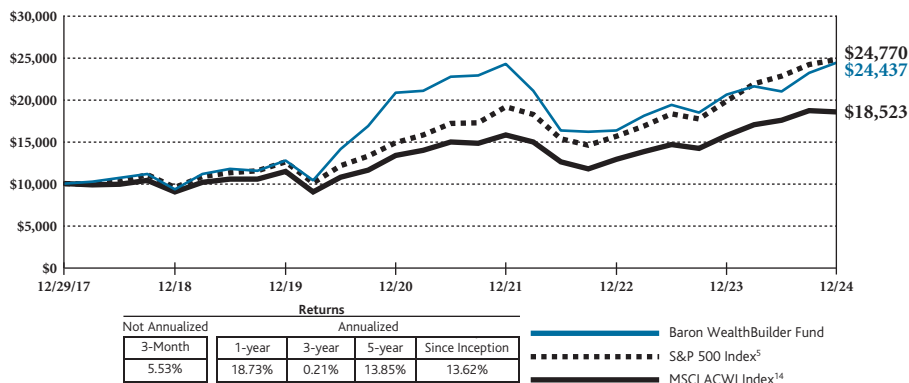
BARON REAL ESTATE INCOME FUND

COMPARISON OF THE CHANGE IN VALUE OF \$10,000 INVESTMENT IN BARON REAL ESTATE INCOME FUND (INSTITUTIONAL SHARES) IN RELATION TO THE MSCI US REIT INDEX AND THE S&P 500 INDEX



BARON WEALTHBUILDER FUND

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



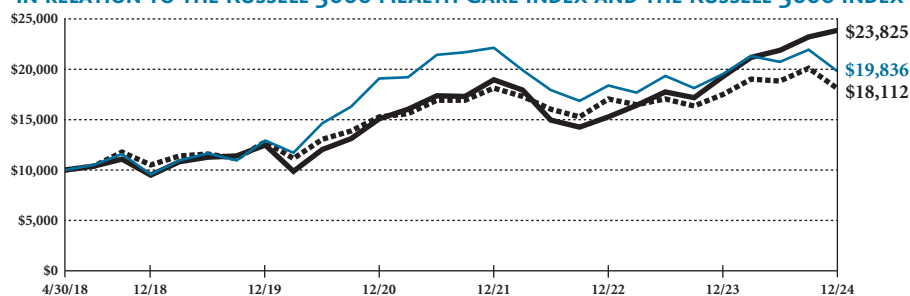
The Funds, MSCI US REIT Index, and MSCI ACWI Index include reinvestment of dividends, net of foreign withholding taxes, while the S&P 500 Index includes reinvestment of dividends before taxes. Reinvestment of dividends positively impacts performance results. The indexes are unmanaged. Index performance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

See index footnotes on page 17.

Baron Funds Performance

BARON HEALTH CARE FUND

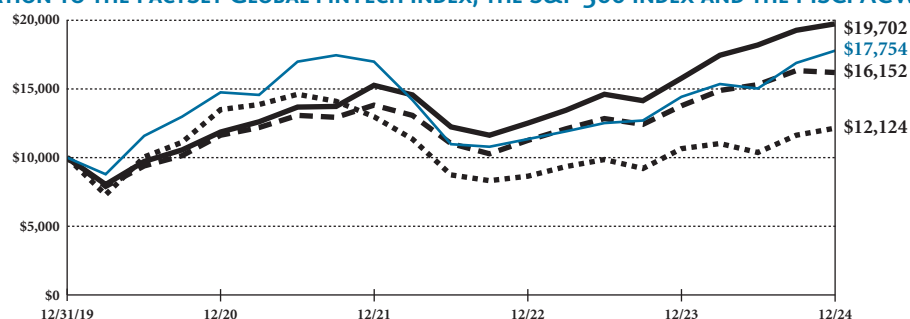
COMPARISON OF THE CHANGE IN VALUE OF \$10,000 INVESTMENT IN BARON HEALTH CARE FUND (INSTITUTIONAL SHARES) IN RELATION TO THE RUSSELL 3000 HEALTH CARE INDEX AND THE RUSSELL 3000 INDEX



Returns					
Not Annualized		Annualized			
3-Month	1-year	3-year	5-year	Since Inception	
(9.58)%	1.55%	(3.52)%	8.95%	10.82%	Baron Health Care Fund
					Russell 3000 Health Care Index ¹⁶
					Russell 3000 Index ⁷

BARON FINTECH FUND

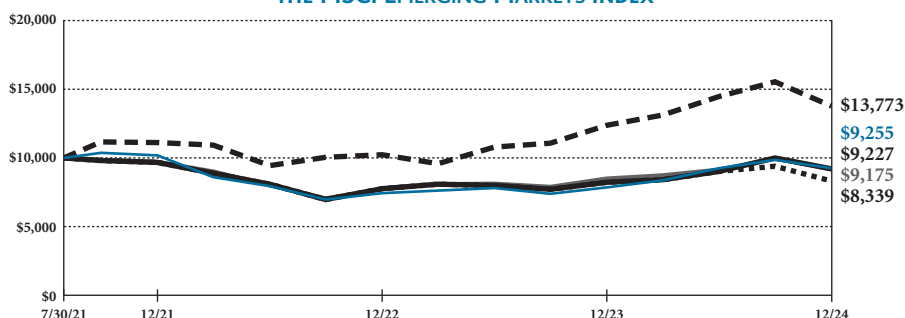
COMPARISON OF THE CHANGE IN VALUE OF \$10,000 INVESTMENT IN BARON FINTECH FUND (INSTITUTIONAL SHARES) IN RELATION TO THE FACTSET GLOBAL FINTECH INDEX, THE S&P 500 INDEX AND THE MSCI ACWI INDEX



Returns					
Not Annualized		Annualized			
3-Month	1-year	3-year	5-year and Since Inception		
5.29%	23.14%	1.50%	12.17%	Baron FinTech Fund	
				FactSet Global FinTech Index ¹⁷	
				S&P 500 Index ⁸	
				MSCI ACWI Index ¹⁴	

BARON INDIA FUND[†]

COMPARISON OF THE CHANGE IN VALUE OF \$10,000 INVESTMENT IN BARON INDIA FUND (INSTITUTIONAL SHARES) IN RELATION TO THE MSCI AC ASIA EX JAPAN/INDIA LINKED INDEX AND THE MSCI AC ASIA EX JAPAN INDEX, THE MSCI INDIA INDEX AND THE MSCI EMERGING MARKETS INDEX



Returns					
Not Annualized		Annualized			
3-Month	1-year	3-year	Since Inception		
(6.01)%	17.75%	(3.09)%	(2.24)%	Baron India Fund	
				MSCI AC Asia ex Japan/India Linked Index ¹⁸	
				MSCI AC Asia ex Japan Index ¹⁹	
				MSCI India Index ²⁰	
				MSCI Emerging Markets Index ¹²	

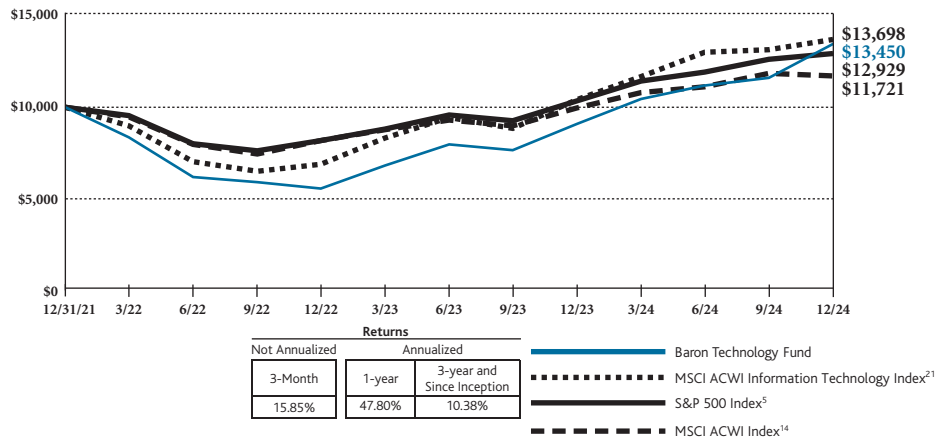
The Funds, MSCI India Index, MSCI Emerging Markets Index, MSCI AC Asia ex Japan/India Linked Index, MSCI AC Asia ex Japan Index, and MSCI ACWI Index include reinvestment of dividends, net of foreign withholding taxes, while the Russell 3000 Health Care Index, Russell 3000 Index, FactSet Global FinTech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

[†] As stated within the Supplement to the Prospectus and Statement of Additional Information dated April 26, 2024, effective September 1, 2024, Baron New Asia Fund[®] has changed its name to Baron India Fund[®]. For additional information please refer to the Supplement. See index footnotes on page 17.

Baron Funds Performance

BARON TECHNOLOGY FUND

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



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

- 1 The **Russell Midcap® Growth Index** measures the performance of medium-sized U.S. companies that are classified as growth.
- 2 The **Russell 3000® Index** measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market, as of the most recent reconstitution.
- 3 The **Russell 2000® Growth Index** measures the performance of small-sized U.S. companies that are classified as growth.
- 4 The **Russell 3000® Growth Index** measures the performance of the broad growth segment of the U.S. equity universe.
- 5 The **S&P 500 Index** measures the performance of 500 widely held large-cap U.S. companies.
- 6 The **Russell 1000® Growth Index** measures the performance of large-sized U.S. companies that are classified as growth.
- 7 The **Russell 2500® Growth Index** measures the performance of small to medium-sized U.S. companies that are classified as growth.
- 8 The **MSCI ACWI ex USA Index Net (USD)** is designed to measure the equity market performance of large and mid-cap securities across 22 of 23 Developed Markets countries (excluding the U.S.) and 24 Emerging Markets countries.
- 9 The **MSCI ACWI ex USA IMI Growth Index Net (USD)** is designed to measure the performance of large, mid and small cap growth securities exhibiting overall growth style characteristics across 22 of 23 Developed Markets countries (excluding the US) and 24 Emerging Markets countries.
- 10 The **MSCI USA IMI Extended Real Estate Index Net (USD)** is a custom index calculated by MSCI for, and as requested by, BAMCO, Inc. The index includes real estate and real estate-related GICS classification securities. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed or produced by MSCI.
- 11 The **MSCI US REIT Index Net (USD)** is designed to measure the performance of all equity REITs in the US equity market, except for specialty equity REITs that do not generate a majority of their revenue and income from real estate rental and leasing operations.
- 12 The **MSCI Emerging Markets Index Net (USD)** is designed to measure equity market performance of large and mid-cap securities across 24 Emerging Markets countries.
- 13 The **MSCI Emerging Markets IMI Growth Index Net (USD)** is designed to measure equity market performance of large, mid and small-cap securities exhibiting overall growth characteristics across 24 Emerging Markets countries.
- 14 The **MSCI ACWI Index Net (USD)** is designed to measure the equity market performance of large and mid-cap securities across 23 Developed Markets and 24 Emerging Markets countries.
- 15 The **MSCI ACWI Growth Index Net (USD)** is designed to measure the equity market performance of large and mid-cap securities exhibiting overall growth style characteristics across 23 Developed Markets countries and 24 Emerging Markets countries.
- 16 The **Russell 3000® Health Care Index** is an unmanaged index representative of companies involved in medical services or health care in the Russell 3000 Index, which is comprised of the 3,000 largest U.S. companies as determined by total market capitalization.
- 17 The **FactSet Global Fintech Index™** is an unmanaged and equal-weighted index that measures the equity market performance of companies engaged in Financial Technologies, primarily in the areas of software and consulting, data and analytics, digital payment processing, money transfer, and payment transaction-related hardware, across 30 Developed and Emerging Markets.
- 18 The **MSCI AC Asia ex Japan/India Linked Index Net (USD)** was created by the Adviser and links the performance of the MSCI AC Asia ex Japan Index for all periods prior to September 1, 2024 and the MSCI India Index for all periods thereafter.
- 19 The **MSCI AC Asia ex Japan Index Net (USD)** measures the performance of large and mid-cap equity securities across 2 of 3 Developed Markets countries (excluding Japan) and 8 Emerging Markets countries in Asia.
- 20 The **MSCI India Index Net (USD)** is a broad based securities index that is designed to measure the performance of the large and mid-cap segments of the Indian market.
- 21 The **MSCI ACWI Information Technology Index Net (USD)** is designed to measure large and mid-cap securities across 23 Developed Markets countries and 24 Emerging Markets countries. All securities in the index are classified in the Information Technology sector as per the Global Industry Classification Standard (GICS®).

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

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

The performance data quoted represents past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original cost. The Adviser reimburses or may reimburse certain Funds' expenses pursuant to a contract expiring on August 29, 2035, unless renewed for another 11-year term, and the Funds' transfer agency expenses may be reduced by expense offsets from an unaffiliated transfer agent, without which performance would have been lower. Current performance may be lower or higher than the performance data quoted. For performance information current to the most recent month end, visit BaronCapitalGroup.com or call 1-800-99-BARON.

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

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