

# Letter from Ron

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

Fund/Benchmark	Inception Date	Average Annualized Returns %					Annual Expense Ratio	Net Assets
		1 Year	3 Years	5 Years	10 Years	Since Inception		
Small Cap								
Baron Discovery Fund®†	9/30/2013	4.34%	1.21%	13.56%	9.83%	11.84%	1.06% <sup>(6)</sup>	\$1.51 billion
Russell 2000 Growth Index		(4.86)%	0.78%	10.78%	6.14%	7.14%		
Baron Growth Fund®	12/31/1994	(4.70)%	1.16%	13.04%	9.30%	12.33%	1.05% <sup>(6)(7)</sup>	\$6.19 billion
Russell 2000 Growth Index		(4.86)%	0.78%	10.78%	6.14%	7.43%		
Baron Small Cap Fund®	9/30/1997	(7.60)%	2.42%	14.00%	8.85%	9.82%	1.05% <sup>(6)</sup>	\$3.75 billion
Russell 2000 Growth Index		(4.86)%	0.78%	10.78%	6.14%	5.93%		
Small/Mid Cap								
Baron Focused Growth Fund® ¹	5/31/1996	17.56%	6.07%	28.47%	16.93%	13.43%	1.06% <sup>(8)</sup>	\$2.12 billion
Russell 2500 Growth Index		(6.37)%	0.55%	11.37%	7.44%	7.73%		
Mid Cap								
Baron Asset Fund®	6/12/1987	1.47%	3.06%	11.32%	9.89%	11.19%	1.05% <sup>(6)</sup>	\$3.94 billion
Russell Midcap Growth Index ²		3.57%	6.16%	14.86%	10.14%	10.21%		
Large Cap								
Baron Durable Advantage Fund®	12/29/2017	6.63%	12.98%	19.60%		14.63%	1.00%/0.70% <sup>(6)(10)</sup>	\$446.26 million
S&P 500 Index		8.25%	9.06%	18.59%		12.65%		
Baron Fifth Avenue Growth Fund®	4/30/2004	5.90%	5.61%	11.51%	11.56%	9.54%	0.78%/0.76% <sup>(6)(11)</sup>	\$610.21 million
Russell 1000 Growth Index		7.76%	10.10%	20.09%	15.12%	11.76%		
All Cap								
Baron Opportunity Fund®†	2/29/2000	7.05%	8.02%	19.24%	16.21%	9.58%	1.06% <sup>(6)</sup>	\$1.35 billion
Russell 3000 Growth Index		7.18%	9.63%	19.57%	14.55%	7.16%		
Baron Partners Fund®³,⁴	1/31/1992	20.84%	(1.19)%	30.33%	18.74%	14.88%	1.99% <sup>(8)(9)</sup>	\$6.56 billion
Russell Midcap Growth Index		3.57%	6.16%	14.86%	10.14%	9.94%		
Non-U.S./Global								
Baron Emerging Markets Fund®	12/31/2010	8.43%	1.29%	7.64%	3.22%	3.66%	1.11% <sup>(8)</sup>	\$3.59 billion
MSCI Emerging Markets Index		8.09%	1.44%	7.94%	3.71%	2.14%		
MSCI Emerging Markets IMI Growth Index		6.67%	0.09%	6.99%	4.01%	2.83%		
Baron Global Advantage Fund®†	4/30/2012	10.58%	(3.38)%	6.42%	9.68%	10.64%	0.95%/0.91% <sup>(8)(12)</sup>	\$509.79 million
MSCI ACWI Index		7.15%	6.91%	15.18%	8.84%	9.44%		
MSCI ACWI Growth Index		5.70%	6.83%	15.36%	10.62%	11.00%		
Baron India Fund®	7/30/2021	7.47%	1.39%			(2.88)%	6.79%/1.20% <sup>(14)(15)</sup>	\$9.31 million
MSCI AC Asia ex Japan/India Linked Index		(4.09)%	(3.15)%			(5.61)%		
MSCI AC Asia ex Japan Index		11.34%	1.79%			(1.69)%		
MSCI India Index		1.75%	6.94%			8.23%		
MSCI Emerging Markets Index		8.09%	1.44%			(1.55)%		
Baron International Growth Fund®	12/31/2008	3.69%	(1.24)%	8.53%	5.63%	8.56%	0.98%/0.95% <sup>(8)(13)</sup>	\$313.44 million
MSCI ACWI ex USA Index		6.09%	4.48%	10.92%	4.98%	6.90%		
MSCI ACWI ex USA IMI Growth Index		0.94%	1.29%	8.31%	5.05%	7.30%		
Sector								
Baron FinTech Fund®	12/31/2019	14.29%	7.38%	14.90%		11.27%	1.21%/0.95% <sup>(8)(16)</sup>	\$67.84 million
FactSet Global FinTech Index		2.01%	(0.28)%	9.10%		2.22%		
Baron Health Care Fund®	4/30/2018	(9.14)%	(0.95)%	10.55%		10.00%	0.88%/0.85% <sup>(8)(17)</sup>	\$169.78 million
Russell 3000 Health Care Index		(0.96)%	2.84%	11.02%		9.57%		
Baron Real Estate Fund®	12/31/2009	(3.09)%	1.71%	16.02%	8.40%	12.92%	1.06% <sup>(8)</sup>	\$2.06 billion
MSCI USA IMI Extended Real Estate Index		2.45%	4.79%	15.39%	7.73%	10.76%		
Baron Real Estate Income Fund®†	12/29/2017	13.98%	0.09%	12.86%		9.05%	0.96%/0.80% <sup>(8)(18)</sup>	\$229.83 million
MSCI US REIT Index		8.98%	(1.77)%	10.04%		4.49%		
Baron Technology Fund®	12/31/2021	9.77%	11.09%			4.28%	5.04%/0.95% <sup>(8)(19)</sup>	\$50.42 million
MSCI ACWI Information Technology Index		3.76%	10.49%			6.05%		

Fund/Benchmark	Inception Date	Average Annualized Returns %					Annual Expense Ratio	Net Assets
		1 Year	3 Years	5 Years	10 Years	Since Inception		
Equity Allocation								
Baron WealthBuilder Fund®	12/29/2017	4.30%	2.29%	16.66%		11.84%	1.22%/1.19% <sup>(8)(20)</sup>	\$511.77 million
S&P 500 Index		8.25%	9.06%	18.59%		12.65%		
Broad-Based Benchmarks <sup>5</sup>								
Russell 3000 Index		7.22%	8.22%	18.18%	11.80%			
S&P 500 Index		8.25%	9.06%	18.59%	12.50%			
MSCI ACWI Index		7.15%	6.91%	15.18%	8.84%			
MSCI ACWI ex USA Index		6.09%	4.48%	10.92%	4.98%			
MSCI Emerging Markets Index		8.09%	1.44%	7.94%	3.71%			

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

(2) The since inception date for Russell Midcap Growth Index is 6/30/1987.

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

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

(5) The Broad-Based Benchmark for Baron Discovery Fund, Baron Growth Fund, Baron Small Cap Fund, Baron Focused Growth Fund, Baron Asset Fund, Baron Partners Fund, and Baron Health Care Fund is Russell 3000 Index. The Broad-Based Benchmark for Baron Durable Advantage Fund, Baron Fifth Avenue Growth Fund, Baron Opportunity Fund, Baron FinTech Fund, Baron Real Estate Fund, Baron Real Estate Income Fund, Baron Technology Fund, and Baron WealthBuilder Fund is S&P 500 Index. The Broad-Based Benchmark for Baron Emerging Markets Fund is MSCI Emerging Markets Index. The Broad-Based Benchmark for Baron International Growth Fund is MSCI ACWI ex USA Index. The Broad-Based Benchmark for Baron Global Advantage Fund, Baron FinTech Fund, Baron Technology Fund, and Baron WealthBuilder Fund is MSCI ACWI Index.

(6) As of 1/28/2025.

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

(8) As of 4/26/2024.

(9) Comprised of operating expenses of 1.04% and interest expense of 0.95%.

(10) Gross annual expense ratio was 1.00%, but the net annual expense ratio was 0.70% (net of Adviser's fee waivers).

(11) Gross annual expense ratio was 0.78%, but the net annual expense ratio was 0.76% (net of Adviser's fee waivers, including interest expense of 0.01%).

(12) Gross annual expense ratio was 0.95%, but the net annual expense ratio was 0.91% (net of Adviser's fee waivers, including interest expense of 0.01%).

(13) Gross annual expense ratio was 0.98%, but the net annual expense ratio was 0.95% (net of Adviser's fee waivers).

(14) Based on estimated amounts for the current fiscal year.

(15) Gross annual expense ratio was 6.79%, but the net annual expense ratio was 1.20% (net of Adviser's fee waivers and expense reimbursements).

(16) Gross annual expense ratio was 1.21%, but the net annual expense ratio was 0.95% (net of Adviser's fee waivers).

(17) Gross annual expense ratio was 0.88%, but the net annual expense ratio was 0.85% (net of Adviser's fee waivers).

(18) Gross annual expense ratio was 0.96%, but the net annual expense ratio was 0.80% (net of Adviser's fee waivers).

(19) Gross annual expense ratio was 5.04%, but the net annual expense ratio was 0.95% (net of Adviser's fee waivers and expense reimbursements).

(20) Gross annual expense ratio was 1.22%, but the net annual expense ratio was 1.19% (includes acquired fund fees and expenses, net of the expense reimbursements).

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

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

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

## Letter from Ron

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

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

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

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

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

Ranking information provided is calculated for the **Institutional Share Class** and is as of 3/31/2025. The number of share classes in each category may vary depending on the date that Baron downloaded information from Morningstar Direct. **Morningstar calculates its category average performance and rankings using its Fractional Weighting methodology. Morningstar rankings are based on total returns and do not include sales charges. Total returns account for management, administrative, and 12b-1 fees and other costs automatically deducted from fund assets.** The **Morningstar Large Growth Category** consisted of 1079, 949, and 745, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Opportunity Fund in the 29th, 20th, 5th, and 3rd percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 2/29/2000, and the category consisted of 565 share classes. Morningstar ranked Baron Partners Fund in the 1st, 1st, 1st, and 1st percentiles for the 1-, 5-, 10-year, and since inception periods as a mutual fund, respectively. The Fund converted into a mutual fund 4/30/2003, and the category consisted of 699 share classes. Morningstar ranked Baron Durable Advantage Fund in the 32nd, 16th, and 21st percentiles for the 1-, 5-year, and since inception periods, respectively. The Fund launched 12/29/2017, and the category consisted of 979 share classes. The **Morningstar Mid Cap Growth Category** consisted of 497, 447, and 358, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Asset Fund in the 21st, 64th, 20th, and 8th percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 6/12/1987, and the category consisted of 57 share classes. Morningstar ranked Baron Growth Fund in the 59th, 35th, 32nd, and 2nd percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 12/31/1994, and the category consisted of 149 share classes. Morningstar ranked Baron Focused Growth Fund in the 4th, 2nd, 2nd, and 2nd percentiles for the 1-, 5-, 10-year, and since inception periods as a mutual fund, respectively. The Fund converted into a mutual fund 6/30/2008, and the category consisted of 386 share classes. The **Morningstar Small Cap Growth Category** consisted of 551, 520, and 395, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Small Cap Fund in the 73rd, 23rd, 20th, and 9th percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 9/30/1997, and the category consisted of 232 share classes. Morningstar ranked Baron Discovery Fund in the 6th, 29th, and 4th percentiles for the 1-, 5-, and since inception periods, respectively. The Fund launched 9/30/2013, and the category consisted of 489 share classes. The **Morningstar Real Estate Category** consisted of 221, 196, and 148, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Real Estate Fund in the 98th, 1st, 1st, and 1st percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 12/30/2009, and the category consisted of 157 share classes. Morningstar ranked Baron Real Estate Income Fund in the 4th, 6th, and 2nd percentiles for the 1-, 5-, and since inception periods, respectively. The Fund launched 12/29/2017, and the category consisted of 196 share classes. The **Morningstar Foreign Large Growth Category** consisted of 389, 335, 213, and 225 share classes for the 1-, 5-, 10-year, and since inception (12/31/2008) periods. Morningstar ranked Baron International Growth Fund in the 32nd, 64th, 51st, and 24th, respectively. The **Morningstar Diversified Emerging Markets Category** consisted of 777, 636, 435, and 356 share classes for the 1-, 5-, 10-year, and since inception (12/31/2010) periods. Morningstar ranked Baron Emerging Markets Fund in the 26th, 66th, 61st, and 9th, respectively. The **Morningstar Health Category** consisted of 175, 149, and 134 share classes for the 1-, 5-, and since inception (12/31/2018) periods. Morningstar ranked Baron Health Care Fund in the 76th, 21st, and 6th, respectively. The **Morningstar Aggressive Allocation Category** consisted of 183, 167, and 175 share classes for the 1-, 5-, and since inception (12/29/2017) periods. Morningstar ranked Baron WealthBuilder Fund in the 49th, 9th, and 1st, respectively. The **Morningstar Global Large Stock Growth** consisted of 342, 280, 196 and 207 share classes for the 1-, 5-, 10-year and since inception (4/30/2012) periods.

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

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

\*% of Long Positions.

### Top 10 Holdings

#### Baron Partners Fund 3/31/2025

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

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

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