

QUARTERLY REPORT | SEPTEMBER 30, 2025

# Baron Funds®

EST 1987

## Letter from Ron

### "Those who sow in tears will reap with sounds of joy."

*Psalm 126. Rabbi Ari S. Lorge.  
Central Synagogue. New York City.  
October 2, 2025. Yom Kippur. 5786.*

Rabbi Ari S. Lorge at New York City's Central Synagogue observed there are more than 150 psalms in the Jewish Bible. Those ancient poems, according to the Rabbi's always thought-provoking commentary, can provide guidance to individuals under virtually all circumstances.

Sitting in Central Synagogue's congregation on the morning of October 2, 2025, Yom Kippur 5786, my thoughts were elsewhere. I was fixated upon Baron Capital's Mission to "Change Lives"... of its clients and employees by making certain they are better educated in finance and are more financially secure. This even though I was supposed to be deep in prayer.

My thoughts were interrupted when Rabbi Lorge began to discuss Psalm 126. That psalm seemed to me to outline the rationale for investing in people... and growth businesses for the long term that benefit society and future generations... to build legacy. Not the short-term tactical considerations of most investors designed to "reap what you sow."

Themes and principles I deem most relevant to investing... investing for the long term in growth businesses and people... I often attribute to sermons by Central's rabbis. Especially sermons on Yom Kippur. Like this year. 5786. Rabbi Ari Lorge understands

that the healing prayer from Psalm 126, "Those who sow in tears will reap with sounds of joy," is not meant to suggest that those who plant seeds will always benefit in a year, or in some instances during their lifetimes, from their hard work. The Rabbi notes that to improve lives of society requires a reorientation from a "harvest mentality" to a "planting mentality." In my mind, that means those who plant, may not necessarily be the generation that benefits from harvesting. Our Firm's orientation is to invest in businesses that penalize current profitability in order to enhance their competitive advantages and growth prospects in the future.

Rabbi Lorge observed that in the world in which we live, it is generally believed that "you reap what you sow." In other words, if you toil, you should benefit financially from that labor... that year. Of course, as the Rabbi theorizes, that means "wise choose to invest in projects that promise the quickest results." The harvest mindset works well if we are happy with the status quo but will cause us to fail if the object is to change lives of our societies.

Consider Elon Musk. Talk about "Changing Lives!!!" Without his incredible engineering and leadership skills... brilliant concepts to improve life and health on Planet Earth... prodigious ability to raise capital and persuade governments and institutions to support those ideas... and recently announced partnership with NVIDIA and Saudi Arabia... and investing his profits to create business opportunities that will not scale and reach significant profitability for several years... our lives would be dramatically different.



*Optimus meets Optimist!!! A super charged fist bump to open Baron Capital's 32nd Annual Investment Conference..."Changing Lives." Optimus and Ron. Lincoln Center. New York City. November 14, 2025.*

Rockets that can be reflown over and over again can achieve the lowest cost to orbit... soon cheaper than airline flights on Planet Earth... a low earth orbit broadband communications satellite network... electric vehicles... orbital data centers with low cost cooling and power served by SpaceX... satellites to protect our homeland... massive satellites to capture energy from our sun... robots much smarter than humans that will perform tasks the rest of us want to avoid... and to perform them better than humankind... and who knows what else he will conjure... What is clear? Elon and others like him, no one is exactly like him, of course, will change the course of human history.

According to Rabbi Lorge, we are in a "season of disorientation." Where it is possible to achieve what is seemingly impossible... the Rabbi suggests a mindset of "unreasonable hope."

**"Every time you come on,  
you bring clarity, enthusiasm,  
and a level of thoughtfulness  
that genuinely helps people  
understand the world  
they're investing in. It's why  
viewers lean in when you  
talk and why we always look  
forward to having you."**

*Andrew Ross Sorkin. Co-Host CNBC's  
Squawk Box. November 15, 2025.*

## Letter from Ron

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I apologize for the late publishing of this letter. Preparing for a sole half hour interview on **CNBC's Squawk Box** with anchors Becky Quick, Andrew Ross Sorkin, and Joe Kernan preceding our 32nd annual conference required more prep time this year than usual. When I appear on *Squawk Box*... generally two or three times a year... I outline points I want to discuss before appearing live. This year there was so much to discuss and preparing to be the sole guest on *Squawk Box* was time consuming. Time spent preparing for that CNBC appearance... and a live broadcast interview with Elon after lunch... and my keynote speech in midafternoon delayed this letter. My speech followed "surprise" lunchtime performances by country singer Shania Twain... comedian Sebastian Maniscalco... and Broadway stars Kelli O'Hara and Sutton Foster, and P!nk at the end of the day. You have no idea how hard it is for me to work on my afternoon presentation during lunch rather than watch the performances by spectacular artists I chose... One more thing, all expenses of the day including performers, three Tesla door prizes, scream truck ice cream, and swag are paid by Baron Capital... not by you!

Another even more demanding effort than prepping for CNBC was writing and editing what I considered my most important conference speech to date, "Changing Lives." That Mission statement actually took three months to draft!!! ... and I was still "editing" while I was delivering the speech that afternoon!!! Editing is generally not as hard as drafting. Speeches just need to be bullet points, not lengthy explanations and require ruthless cutting. My writing coach, whose principal business is writing political speeches, encourages me to be direct and eliminate sentences, paragraphs and thoughts. His best advice? "Ron, I have never watched an audience leave a speech regardless of how wonderful telling each other, 'Wow, what a great speech. ... if only it were five minutes longer...' " My target is 20 to 25 minutes.

Finally, preparing for a one-hour broadcast interview with Elon that afternoon... although I expected the conversation to be fun... made it hard for me to sleep for several days. That's because Elon's businesses in which we have invested have "changed

our lives"... **Tesla** with its **FSD**... full self-driving EV cars... enormous fast growing energy storage industrial batteries and, soon, **Optimus** robots... **SpaceX** with its re-flyable rockets and **Starlink** satellites that provide broadband to every square inch on our planet... and who knows what else like data centers in space to save cooling and energy costs and enormous satellites that capture energy from the sun to use on Planet Earth... and **X.AI** data center with **GROK** Ai foundational model... were all complicated... and growing very rapidly... and I had **15 years** of digital notes to study and distill into an hour-long interview!!!

"Faster than a speeding bullet" was the phrase used in the Superman television series of my youth. That's how fast Elon is growing his businesses... and continuing to add elements that embed his hardware and services deeper into workflow and lives of his customers... truly "changing lives" is how we think of him.

Several times after Elon opened a new factory... or implemented innovative production lines or manufacturing processes... until the factory or production lines employing those processes scaled and achieved remarkable results, he slept on the floor of his factory... for weeks or months. Elon has been telling us for years that what is most important as a manufacturer of technology hardware is to focus on "the machine that makes the machine." Which he thinks is more important than focusing on the product! Focus on the most efficient manufacturing processes will result in the best product design in his opinion. In addition to his attention to all details of manufacturing processes... he is proud to call himself a "supply chain guy" when few regarded that as important. This allowed him to solve supply disruptions during the past few years when others struggled with these issues. When you become a customer of Elon's, which most of us will, it will be obvious that he has achieved these goals.

You should not feel sorry for me for the time I spent preparing for my conversation with Elon. It was incredibly stimulating to review and absorb all Elon and I and his executives have spoken about since meeting him in 2010. Or for Elon either in his efforts to "change lives" for the rest of

us. Elon's businesses' mission has morphed to "sustainable abundance" for humankind who inhabit Planet Earth. That's from "sustainable energy." Mine is to "Change Lives" of our clients and employees by making them financially secure. Elon has been the biggest contributor to our effort earning us about \$13 billion profits... 25% of our \$52 billion realized and unrealized gains so far as of 10/31/2025... and we expect to earn at least 5 times more by 2035. No guarantee obviously... but that's the target. We managed only \$100 million in 1992... compared to \$44 billion at present. We have clearly been very lucky.

*Squawk Box's* Becky Quick told me last year that when she was interviewing an awesome midwestern investor, who has been investing even longer than I have, she mentioned to him that she had interviewed me a week ago. His response? *"I really admire how Ron tries to teach individuals investing concepts... and business ownership... not stock trading."*

Elon posted my discussion with him at the "Changing Lives" Baron Investment Conference that afternoon on X. It received **35 million views!!!** Man, o man. That guy has Star power. It's no wonder that Gwynne Shotwell, SpaceX CEO, refers to him as StarMan. Michael Dell posted as well and got 1.5 million views. Most comments were complimentary to Elon.

Three years ago, when Elon announced he intended to purchase Twitter, he was roundly criticized. Baron had already made \$7 billion in gains in Tesla and SpaceX. I then called him to discuss that purchase. When he described the rationale, which provided him an opportunity due to Twitter data to build the Grok AI foundation model... and massive data centers, in addition to its town-center function, I told him we would like to invest \$100 million in that acquisition. His response? "Really? This will take a while to work out but I'm confident it will." Over the next two years we invested an incremental \$235 million in X.AI financings, which then acquired Twitter which had been restructured and renamed "X." As of November 20, 2025, our \$335 million investment has a current value of \$1.4 billion!!!! Pretty neat for a business for which Elon received so much criticism.

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**"I do regard you as true friend. The test of friendship is who supports you when chips are down and times are tough and everyone is against you. That's a real friend... and that's you Ron."**

*Elon Musk. 32nd Annual Baron Investment Conference. November 14, 2025.*

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We met Elon Musk in 2010 when he and his bankers visited us during Tesla's IPO roadshow. We chose not to invest at that time. Although Elon impressed us as an immensely talented engineer/physicist/executive, we were skeptical that he would be successful introducing electric vehicles. This was because powerful and politically strong groups including car dealers... internal combustion engine automobile manufacturers... carbon energy businesses... unions... and politicians stood in opposition to Tesla. Regardless, since we considered Elon a singular leader, we continued to research, study, and visit both businesses.

When Tesla's Model S sedan gained wide acceptance from 2014-2016, we made our principal investments in Tesla. We have been investing in SpaceX from 2017 through today. When we began to invest in SpaceX, that business had not yet landed and reflowed its Falcon 9 rocket...although it would within a year.

Elon has obviously accomplished an heroic task of managing businesses that now offer a vast variety of products and services. Because we have been following the progress of these exponentially growing businesses with open-ended opportunities closely for more than fifteen years. We have accumulated notes that if printed from my digital notebook would be several inches thick. Which is why it so difficult to prepare for only a one-hour interview with him.

**"I really enjoyed your recent interview with Elon Musk. Congrats on your amazing foresight and patience backing Elon and all his endeavors."**

*Lead portfolio manager global growth funds at one of the largest U.S. financial firms. November 16, 2025.*

"When I took over managing the team that runs global growth funds 27 years ago, you were kind enough to have lunch with me. I appreciated it then and would love to have lunch with you again. I think you are probably the only actual long-term investor left standing! You have set a wonderful example for our industry."

**"WOW!!! Simply wow. Deepest congratulations on another phenomenal conference. Where else can one spend time with Optimus, Harley from Shopify, and Sutton Foster??? Only at Baron Funds' annual event."**

*Lynn Martin. President New York Stock Exchange.*

"I cannot wait to host you on December 15 for the bell for **Baron First Principles ETF listing on NYSE**. It will be my honor to share a podium."

In recent weeks, I found myself reflecting on that sermon drawn from **Psalm 126**, a text that has accompanied the Jewish people through centuries of uncertainty and renewal. The psalm contains a line many of us know well: *"Those who sow in tears will reap with sounds of joy."* **The essence of Psalm 126 is delayed gratification, generational thinking, unwavering belief in the compounding of effort... which is also the essence of long-term investing.**

Respectfully,



Ron Baron  
CEO

November 20, 2025

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

Portfolio holdings as a percentage of net assets as of September 30, 2025 for securities mentioned are as follows: **NVIDIA Corporation** - Baron Durable Advantage Fund (8.1%), Baron Fifth Avenue Growth Fund (12.7%), Baron Global Opportunity Fund (10.0%), Baron Opportunity Fund (13.2%), Baron Technology Fund (14.1%); **Tesla, Inc.** - Baron Fifth Avenue Growth Fund (4.3%), Baron Focused Growth Fund (9.7%), Baron Global Opportunity Fund (1.9%), Baron Opportunity Fund (6.0%), Baron Partners Fund (33.2%\*), Baron Technology Fund (5.2%); **Space Exploration Technologies Corporation** - Baron Asset Fund (6.3%), Baron Fifth Avenue Growth Fund (1.5%), Baron Focused Growth Fund (11.6%), Baron Global Opportunity Fund (10.4%), Baron Opportunity Fund (4.5%), Baron Partners Fund (18.1%\*); **X.AI Holdings Corp.** - Baron Asset Fund (3.2%), Baron Fifth Avenue Growth Fund (0.8%), Baron Focused Growth Fund (2.2%), Baron Opportunity Fund (1.2%), Baron Partners Fund (0.7%\*); **Shopify Inc.** - Baron Fifth Avenue Growth Fund (5.2%), Baron FinTech Fund (2.5%), Baron Focused Growth Fund (3.6%), Baron Global Opportunity Fund (5.7%), Baron Opportunity Fund (1.7%), Baron Technology Fund (1.3%).

\* % of Long Positions.

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

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

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## Baron Funds (Institutional Shares) and Benchmark Performance 9/30/2025

Fund/Benchmark	Inception Date	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	17.61	16.52	6.16	14.36	12.87	1.05 <sup>(6)</sup>	\$1.90 billion
Russell 2000 Growth Index		13.56	16.68	8.41	9.91	8.88		
Baron Growth Fund®	12/31/1994	(13.95)	6.03	3.75	9.51	11.82	1.08 <sup>(6)(7)</sup>	\$4.95 billion
Russell 2000 Growth Index		13.56	16.68	8.41	9.91	8.10		
Baron Small Cap Fund®	9/30/1997	(0.09)	14.98	6.49	11.62	10.05	1.05 <sup>(6)</sup>	\$3.76 billion
Russell 2000 Growth Index		13.56	16.68	8.41	9.91	6.68		
Small-Mid Cap								
Baron Focused Growth Fund® <sup>1</sup>	5/31/1996	24.61	19.91	15.40	20.30	13.84	1.05 <sup>(8)</sup>	\$2.81 billion
Russell 2500 Growth Index		12.62	15.97	7.76	10.93	8.37		
Mid Cap								
Baron Asset Fund®	6/12/1987	0.26	13.52	4.93	11.11	11.13	1.04 <sup>(6)</sup>	\$3.79 billion
Russell Midcap Growth Index <sup>2</sup>		22.02	22.85	11.26	13.37	10.63		
Large Cap								
Baron Durable Advantage Fund®	12/29/2017	17.12	30.03	17.58		16.60	0.77/0.70 <sup>(6)(9)</sup>	\$525.30 million
S&P 500 Index		17.60	24.94	16.47		14.44		
Baron Fifth Avenue Growth Fund®	4/30/2004	27.76	32.13	8.13	15.57	10.73	0.76/0.75 <sup>(6)(10)</sup>	\$762.72 million
Russell 1000 Growth Index		25.53	31.61	17.58	18.83	12.85		
All Cap								
Baron Opportunity Fund®	2/29/2000	28.07	31.96	13.71	20.50	10.52	1.05 <sup>(6)</sup>	\$1.76 billion
Russell 3000 Growth Index		24.79	30.76	17.03	18.26	8.11		
Baron Partners Fund® <sup>3,4</sup>	1/31/1992	33.23	17.03	16.76	22.56	15.46	1.99 <sup>(8)(11)</sup>	\$8.12 billion
Russell Midcap Growth Index		22.02	22.85	11.26	13.37	10.42		
Non-U.S./Global								
Baron Emerging Markets Fund®	12/31/2010	22.11	18.69	5.27	7.35	5.28	1.11 <sup>(8)</sup>	\$3.72 billion
MSCI Emerging Markets Index		17.32	18.21	7.02	7.99	3.56		
MSCI Emerging Markets IMI Growth Index		19.42	18.34	5.03	8.51	4.45		
Baron Global Opportunity Fund®†	4/30/2012	33.91	20.07	1.73	14.71	12.53	0.96/0.91 <sup>(8)(12)</sup>	\$666.27 million
MSCI ACWI Index		17.27	23.12	13.54	11.91	10.56		
MSCI ACWI Growth Index		22.21	27.54	13.25	14.34	12.61		
Baron India Fund®	7/30/2021	(6.72)	9.63			(2.02)	6.86/1.20 <sup>(8)(13)</sup>	\$21.48 million
MSCI AC Asia ex Japan/India Linked Index		(13.15)	5.35			(4.74)		
MSCI India Index		(13.15)	10.30			7.45		
MSCI Emerging Markets Index		17.32	18.21			3.84		
Baron International Growth Fund®	12/31/2008	17.48	17.20	5.84	8.56	9.69	1.04/0.96 <sup>(8)(14)</sup>	\$365.63 million
MSCI ACWI ex USA Index		16.45	20.67	10.26	8.23	7.84		
MSCI ACWI ex USA IMI Growth Index		13.18	18.26	6.32	8.15	8.30		
Sector								
Baron FinTech Fund®	12/31/2019	8.66	19.31	7.19		11.10	1.13/0.95 <sup>(8)(15)</sup>	\$71.05 million
FactSet Global FinTech Index		7.74	14.79	2.44		4.00		
Baron Health Care Fund®	4/30/2018	(11.83)	4.75	3.48		9.30	0.87/0.85 <sup>(8)(16)</sup>	\$135.29 million
Russell 3000 Health Care Index		(7.62)	6.71	5.96		8.68		
Baron Real Estate Fund®	12/31/2009	3.42	16.75	9.27	11.41	13.44	1.05 <sup>(8)</sup>	\$2.36 billion
MSCI USA IMI Extended Real Estate Index		3.54	17.89	11.58	9.92	11.20		
Baron Real Estate Income Fund®	12/29/2017	5.15	12.97	8.70		9.16	0.90/0.80 <sup>(8)(17)</sup>	\$262.44 million
MSCI US REIT Index		(2.88)	9.51	8.04		4.58		
Baron Technology Fund®	12/31/2021	36.99	39.10			13.17	1.35/0.95 <sup>(8)(18)</sup>	\$103.19 million
MSCI ACWI Information Technology Index		28.09	37.19			14.88		
Equity Allocation								
Baron WealthBuilder Fund®	12/29/2017	10.81	16.60	8.71		12.93	1.21/1.18 <sup>(8)(19)</sup>	\$555.55 million
S&P 500 Index		17.60	24.94	16.47		14.44		
Broad-Based Benchmarks <sup>5</sup>								
Russell 3000 Index		17.41	24.12	15.74	14.71			
S&P 500 Index		17.60	24.94	16.47	15.30			
MSCI ACWI Index		17.27	23.12	13.54	11.91			
MSCI ACWI ex USA Index		16.45	20.67	10.26	8.23			
MSCI Emerging Markets Index		17.32	18.21	7.02	7.99			

<sup>1</sup> 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

## Letter from Ron

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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.

<sup>2</sup> The since inception date for Russell Midcap Growth Index is 6/30/1987.

<sup>3</sup> 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.

<sup>4</sup> While the Fund may invest in securities of any market capitalization, 45.8% of the Fund's long holdings were invested in SMID, Mid and Mid/Large-Cap securities (as defined by Russell, Inc.) as of 9/30/2025 (SMID represents 10.5% of the portfolio and has market capitalizations between \$5.4 – \$16.8 billion; Mid represents 28.0% and has market capitalizations between \$16.8 – \$58.2 billion; Mid /Large represents 7.4% and has market capitalizations between \$58.2 – \$202.7 billion).

<sup>5</sup> 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 Opportunity Fund, Baron FinTech Fund, Baron Technology Fund, and Baron WealthBuilder Fund is MSCI ACWI Index.

<sup>6</sup> As of 1/28/2025.

<sup>7</sup> Comprised of operating expenses of 1.03% and interest expense of 0.05%.

<sup>8</sup> As of 4/30/2025.

<sup>9</sup> Gross annual expense ratio was 0.77%, but the net annual expense ratio was 0.70% (net of Adviser's fee waivers).

<sup>10</sup> Gross annual expense ratio was 0.76%, but the net annual expense ratio was 0.75% (net of Adviser's fee waivers).

<sup>11</sup> Comprised of operating expenses of 1.05% and interest expense of 0.94%.

<sup>12</sup> Gross annual expense ratio was 0.96%, but the net annual expense ratio was 0.91% (net of Adviser's fee waivers, including interest expense of 0.01%).

<sup>13</sup> Gross annual expense ratio was 6.86%, but the net annual expense ratio was 1.20% (net of Adviser's fee waivers and expense reimbursements).

<sup>14</sup> Gross annual expense ratio was 1.04%, but the net annual expense ratio was 0.96% (net of Adviser's fee waivers).

<sup>15</sup> Gross annual expense ratio was 1.13%, but the net annual expense ratio was 0.95% (net of Adviser's fee waivers).

<sup>16</sup> Gross annual expense ratio was 0.87%, but the net annual expense ratio was 0.85% (net of Adviser's fee waivers).

<sup>17</sup> Gross annual expense ratio was 0.90%, but the net annual expense ratio was 0.80% (net of Adviser's fee waivers).

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

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

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

<sup>1</sup> Formerly, Baron Global Advantage Fund

*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.*

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

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

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

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

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

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**Ranking information provided is calculated for the Institutional Share Class and is as of 6/30/2025. The number of share classes in each category may vary depending on the date that Baron downloaded information from Morningstar Direct. Morningstar calculates its Category Average performance and rankings using its Fractional Weighting methodology. Morningstar rankings are based on total returns and do not include sales charges. Total returns do account for management, administrative, and 12b-1 fees and other costs automatically deducted from fund assets.**

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

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

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

The **Morningstar Large Growth Category** consisted of 1,084, 954, and 754 share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Opportunity Fund in the 9<sup>th</sup>, 32<sup>nd</sup>, 4<sup>th</sup>, and 3<sup>rd</sup> percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 2/29/2000, and the category consisted of 562 share classes. The **Morningstar Mid-Cap Growth Category** consisted of 494, 446, and 367 share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Asset Fund in the 47<sup>th</sup>, 70<sup>th</sup>, 33<sup>rd</sup>, and 10<sup>th</sup> percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 6/12/1987, and the category consisted of 56 share classes. The **Morningstar Small Growth Category** consisted of 544, 512, and 400 share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Small Cap Fund in the 37<sup>th</sup>, 36<sup>th</sup>, 16<sup>th</sup>, and 8<sup>th</sup> percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 9/30/1997, and the category consisted of 224 share classes. Morningstar ranked Baron Discovery Fund in the 2<sup>nd</sup>, 37<sup>th</sup>, 7<sup>th</sup>, and 4<sup>th</sup> percentiles for the 1-, 5-, 10-year and since inception periods, respectively. The Fund launched 9/30/2013, and the category consisted of 479 share classes. The **Morningstar Real Estate Category** consisted of 217, 193, and 149 share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Real Estate Fund in the 23<sup>rd</sup>, 1<sup>st</sup>, 1<sup>st</sup>, and 1<sup>st</sup> 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 4<sup>th</sup>, 6<sup>th</sup>, and 2<sup>nd</sup> percentiles for the 1-, 5-year, and since inception periods, respectively. The Fund launched 12/29/2017, and the category consisted of 192 share classes. The **Morningstar Foreign Large Growth Category** consisted of 388, 333, 219, and 225 share classes for the 1-, 5-, 10-year, and since inception (12/31/2008) periods. Morningstar ranked Baron International Growth Fund in the 23<sup>rd</sup>, 66<sup>th</sup>, 51<sup>st</sup>, and 24<sup>th</sup> percentiles, respectively. The **Morningstar Diversified Emerging Mkts Category** consisted of 769, 629, 453, and 356 share classes for the 1-, 5-, 10-year, and since inception (12/31/2010) periods. Morningstar ranked Baron Emerging Markets Fund in the 6<sup>th</sup>, 72<sup>nd</sup>, 52<sup>nd</sup>, and 8<sup>th</sup> percentiles, respectively. The **Morningstar Health Category** consisted of 176, 150, and 133 share classes for the 1-, 5-year, and since inception (12/31/2018) periods. Morningstar ranked Baron Health Care Fund in the 86<sup>th</sup>, 45<sup>th</sup>, and 8<sup>th</sup> percentiles, respectively. The **Morningstar Aggressive Allocation Category** consisted of 94, 90, and 92 share classes for the 1-, 5-year, and since inception (12/29/2017) periods. Morningstar ranked Baron WealthBuilder Fund in the 2<sup>nd</sup>, 40<sup>th</sup>, and 1<sup>st</sup> percentiles, respectively. The **Morningstar Global Large-Stock Growth Category** consisted of 338, 285, 193 and 207 share classes for the 1-, 5-, 10-year and since inception (12/29/2017) periods. Morningstar ranked Baron Global Advantage Fund in the 7<sup>th</sup>, 98<sup>th</sup>, 22<sup>nd</sup> and 21<sup>st</sup> percentiles, respectively. The **Morningstar Technology Category** consisted of 271, and 239 share classes for the 1-year, and since inception (12/31/2021) periods. Morningstar ranked Baron Technology Fund in the 9<sup>th</sup> and 8<sup>th</sup> percentiles, respectively.

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

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IMAGE: JAMES WEBB SPACE TELESCOPE—NASA, ESA, CSA, STScI.

## BARON CAPITAL'S TOP 25 HOLDINGS\*

11/7/2025

Rank	Ticker	Security Name	Year of First Purchase <sup>1</sup>	Market Value (\$M)	Percent of Total Assets <sup>2</sup> (%)	Total Realized and Unrealized Gains (\$M)	Cumulative Total Return <sup>3</sup> (%)	Total Return Multiple (x)	Annualized Total Return (%)
1	931JQH909	Space Exploration Technologies Corp.	2017	5,277	11.4	4,010	1,378.4	14.8	39.2
2	TSLA	Tesla, Inc.	2014	5,120	11.1	7,819	3,511.8	36.1	35.7
3	ACGL	Arch Capital Group Ltd.	2002	1,658	3.6	2,191	3,194.6	32.9	16.0
4	MSCI	MSCI Inc.	2007	1,534	3.3	1,435	2,537.4	26.4	20.0
5	IDXX	IDEXX Laboratories, Inc.	2005	1,319	2.9	2,610	4,822.4	49.2	20.7
6	CSGP	CoStar Group, Inc.	2001	1,300	2.8	1,577	3,791.6	38.9	16.5
7	GWRE	Guidewire Software, Inc.	2012	1,122	2.4	1,069	842.3	9.4	18.1
8	IT	Gartner, Inc.	2007	979	2.1	1,775	805.6	9.1	12.6
9	H	Hyatt Hotels Corporation	2009	947	2.0	661	472.6	5.7	11.5
10	MTN	Vail Resorts, Inc.	1997	823	1.8	900	834.3	9.3	8.1
11	KNSL	Kinsale Capital Group, Inc.	2016	711	1.5	726	2,137.1	22.4	39.8
12	RRR	Red Rock Resorts, Inc.	2016	710	1.5	400	305.2	4.1	15.8
13	SCHW	The Charles Schwab Corporation	1992	679	1.5	1,663	15,450.4	155.5	16.6
14	XIACOM.R	X.AI Holdings Corp.	2022	672	1.5	337	100.7 <sup>4</sup>	2.0	25.8
15	TSM	Taiwan Semiconductor Manufacturing Company Limited	2013	630	1.4	757	1,983.9	20.8	27.8
16	SPOT	Spotify Technology S.A.	2020	609	1.3	183	408.0	5.1	33.6
17	CHH	Choice Hotels International, Inc.	1996	609	1.3	653	2,745.0	28.5	12.2
18	FDS	FactSet Research Systems Inc.	2006	587	1.3	923	529.7	6.3	10.2
19	NVDA	NVIDIA Corporation	2018	560	1.2	723	2,746.0	28.5	60.1
20	FIGS	FIGS, Inc.	2022	511	1.1	64	(6.7)	0.9	(2.0)
21	PRI	Primerica, Inc.	2010	350	0.8	606	1,427.7	15.3	19.1
22	SHOP	Shopify Inc.	2020	346	0.7	37	56.0	1.6	9.3
23	VRT	Vertiv Holdings Co	2019	336	0.7	791	1,535.8	16.4	60.5
24	IBKR	Interactive Brokers Group, Inc.	2023	325	0.7	192	274.5	3.7	64.4
25	MORN	Morningstar, Inc.	2005	299	0.6	325	1,106.0	12.1	12.9

\* 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 11/07/2025. Depending on Baron Capital's purchases and sales over the period, this performance may be lower or higher than the performance of the investment.

4 On March 28, 2025, X.AI Holdings Corp. (X.AI Holdings) acquired social media platform X Holding Corp. (X) and artificial intelligence company X.AI Corp. (xAI) in an all-stock transaction. The deal valued X at \$33 billion and xAI at \$80 billion, making the combined X.AI Holdings entity worth \$113 billion. Prior to the acquisition, the cumulative total return for xAI was 80.9%, and the cumulative total return for X was 1.5% from the dates of first purchase in a fund. The total return of X.AI Holdings represents the combined return on investment for X, xAI, and xAI Holdings.

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

*The performance data quoted represents past performance. Past performance is no guarantee of future results. 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 September 30, 2025 for securities mentioned are as follows:**

**Space Exploration Technologies Corporation** - Baron Asset Fund (6.3%), Baron Fifth Avenue Growth Fund (1.5%), Baron Focused Growth Fund (11.6%), Baron Global Opportunity Fund (10.4%), Baron Opportunity Fund (4.5%), Baron Partners Fund (18.1%\*); **Tesla, Inc.** - Baron Fifth Avenue Growth Fund (4.3%), Baron Focused Growth Fund (9.7%), Baron Global Opportunity Fund (1.9%), Baron Opportunity Fund (6.0%), Baron Partners Fund (33.2%\*), Baron Technology Fund (5.2%); **Arch Capital Group Ltd.** - Baron Asset Fund (3.9%), Baron Durable Advantage Fund (1.5%), Baron FinTech Fund (1.8%), Baron Focused Growth Fund (2.9%), Baron Growth Fund (14.1%), Baron International Growth Fund (1.8%), Baron Partners Fund (6.5%\*); **MSCI Inc.** - Baron Asset Fund (0.8%), Baron Durable Advantage Fund (1.8%), Baron FinTech Fund (2.6%), Baron Focused Growth Fund (4.6%), Baron Growth Fund (13.5%), Baron Partners Fund (3.0%\*); **IDEXX Laboratories, Inc.** - Baron Asset Fund (6.3%), Baron Focused Growth Fund (5.4%), Baron Growth Fund (3.9%), Baron Health Care Fund (2.8%), Baron Partners Fund (4.6%\*); **CoStar Group, Inc.** - Baron Asset Fund (4.4%), Baron Durable Advantage Fund (2.0%), Baron FinTech Fund (1.0%), Baron Focused Growth Fund (4.0%), Baron Growth Fund (7.6%), Baron Opportunity Fund (2.2%), Baron Partners Fund (6.7%\*), Baron Real Estate Fund (3.1%), Baron Technology Fund (1.2%); **Guidewire Software, Inc.** - Baron Asset Fund (5.4%), Baron Discovery Fund (2.0%), Baron FinTech Fund (4.1%), Baron Focused Growth Fund (4.5%), Baron Growth Fund (3.6%), Baron Opportunity Fund (1.3%), Baron Partners Fund (2.3%\*), Baron Small Cap Fund (4.6%), Baron Technology Fund (1.0%); **Gartner, Inc.** - Baron Asset Fund (4.7%), Baron Growth Fund (6.4%), Baron Opportunity Fund (1.6%), Baron Partners Fund (3.7%\*), Baron Small Cap Fund (3.0%), Baron Technology Fund (1.1%); **Hyatt Hotels Corporation** - Baron Asset Fund (1.9%), Baron Focused Growth Fund (3.9%), Baron Partners Fund (5.4%\*), Baron Real Estate Fund (2.7%); **Vail Resorts, Inc.** - Baron Asset Fund (1.5%), Baron Focused Growth Fund (3.9%), Baron Growth Fund (6.0%), Baron Partners Fund (2.6%\*), Baron Real Estate Income Fund (1.7%); **Kinsale Capital Group, Inc.** - Baron Discovery Fund (1.7%), Baron FinTech Fund (1.0%), Baron Growth Fund (7.8%), Baron Small Cap Fund (4.8%); **Red Rock Resorts, Inc.** - Baron Focused Growth Fund (4.3%), Baron Growth Fund (2.9%), Baron Partners Fund (1.4%\*), Baron Real Estate Fund (1.4%), Baron Small Cap Fund (4.9%); **The Charles Schwab Corporation** - Baron Asset Fund (2.6%), Baron FinTech Fund (2.6%), Baron Partners Fund (4.9%\*); **X.AI Holdings Corp.** - Baron Asset Fund (3.2%), Baron Fifth Avenue Growth Fund (0.8%), Baron Focused Growth Fund (2.2%), Baron Opportunity Fund (1.2%), Baron Partners Fund (0.7%\*); **Taiwan Semiconductor Manufacturing Company Limited** - Baron Durable Advantage Fund (6.1%), Baron Emerging Markets Fund (10.3%), Baron Fifth Avenue Growth Fund (4.9%), Baron Global Opportunity Fund (3.9%), Baron International Growth Fund (3.9%), Baron Opportunity Fund (2.0%), Baron Technology Fund (6.5%); **Spotify Technology S.A.** - Baron Asset Fund (1.8%), Baron Focused Growth Fund (6.5%), Baron Opportunity Fund (4.9%), Baron Partners Fund (1.8%\*), Baron Technology Fund (4.8%); **Choice Hotels International, Inc.** - Baron Asset Fund (1.3%), Baron Focused Growth Fund (2.4%), Baron Growth Fund (6.5%), Baron Partners Fund (0.3%\*); **FactSet Research Systems Inc.** - Baron Asset Fund (1.2%), Baron FinTech Fund (1.2%), Baron Focused Growth Fund (1.3%), Baron Growth Fund (4.1%), Baron Partners Fund (1.6%\*); **NVIDIA Corporation** - Baron Durable Advantage Fund (8.1%), Baron Fifth Avenue Growth Fund (12.7%), Baron Global Opportunity Fund (10.0%), Baron Opportunity Fund (13.2%), Baron Technology Fund (14.1%); **FIGS, Inc.** - Baron Focused Growth Fund (2.0%), Baron Growth Fund (1.7%); **Primerica, Inc.** - Baron FinTech Fund (1.1%), Baron Growth Fund (6.1%); **Shopify Inc.** - Baron Fifth Avenue Growth Fund (5.2%), Baron FinTech Fund (2.5%), Baron Focused Growth Fund (3.6%), Baron Global Opportunity Fund (5.7%), Baron Opportunity Fund (1.7%), Baron Technology Fund (1.3%); **Vertiv Holdings Co** - Baron Asset Fund (1.1%), Baron Small Cap Fund (7.0%); **Interactive Brokers Group, Inc.** - Baron FinTech Fund (4.1%), Baron Focused Growth Fund (5.3%); **Morningstar, Inc.** - Baron Asset Fund (1.0%), Baron FinTech Fund (1.7%), Baron Growth Fund (4.3%).

\*% of Long Positions.

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

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IMAGE: JAMES WEBB SPACE TELESCOPE—NASA, ESA, CSA, STScI.

## INFLATION ACCORDING TO RON BARON

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

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

As of 9/30/2025	Year	Cost	September 2025	Multiple	CAGR
<b>Ron's Home 1948-1955</b> 1122 Grassmere Avenue, Wanamassa, NJ (Asbury Park, NJ "suburb")	1948	\$5,000	\$607,300 <sup>1</sup>	121.5x	6.5%
<b>Ron's Home 1955-1975</b> 542 Deal Parkway, West Allenhurst, NJ (Asbury Park, NJ "suburb")	1955	\$20,000	\$1,246,200 <sup>1</sup>	62.3x	6.1%
<b>Minimum Wage (New York)</b>	1957	\$1 hour	\$15.50 <sup>2</sup> hour	15.5x	4.1%
<b>Golf Caddy Fees</b>	1957	\$4 18 holes	\$160 18 holes	40.0x	5.6%
<b>Gallon of Gasoline</b>	1960	\$0.31 gallon	\$3.12 <sup>3</sup> gallon	10.1x	3.6%
<b>Ron's Annual Tuition at Bucknell University</b>	1965	\$3,500	\$69,976 <sup>4</sup>	20.0x	5.1%
<b>Ron's U.S. Patent Examiner Annual Salary</b>	1966	\$7,729	\$138,728 <sup>5</sup>	17.9x	5.0%
<b>Ford Mustang (starting price)</b>	1966	\$2,500	\$32,320 <sup>6</sup>	12.9x	4.5%
<b>Sirloin Steak</b>	1966	\$0.67 pound	\$14.14 <sup>7</sup> pound	21.1x	5.3%
<b>NYC Top Law Firm – First Year Associate Annual Salary</b>	1970	\$15,000	\$225,000 <sup>8</sup>	15.0x	5.1%
<b>Gold</b>	1974	\$188 ounce	\$3,888 <sup>9</sup> ounce	20.7x	6.2%
<b>Dow Jones Industrial Average</b>	1982	795	\$46,398 <sup>9</sup>	58.3x*	9.8%*
<b>S&amp;P 500 Index</b>	1982	107	\$6,689 <sup>9</sup>	62.3x*	10.0%*
<b>Gross Domestic Product (GDP)**</b>	1968	\$968 billion	\$30,331 <sup>10</sup> billion	30.3x	6.3%

"Gross Domestic Product (GDP)" information is as of June 30, 2025.

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

**Sources:**

- 1 - [www.zillow.com](http://www.zillow.com)
- 2 - <https://dol.ny.gov/minimum-wage-0>
- 3 - [www.energy.gov/eere/vehicles/fact-741-august-20-2012-historical-gasoline-prices-1929-2011](http://www.energy.gov/eere/vehicles/fact-741-august-20-2012-historical-gasoline-prices-1929-2011)   [fred.stlouisfed.org/series/GASREGW](http://fred.stlouisfed.org/series/GASREGW)
- 4 - [www.bucknell.edu/admissions-aid/tuition-fees-financial-aid/information-about-tuition-fees](http://www.bucknell.edu/admissions-aid/tuition-fees-financial-aid/information-about-tuition-fees)
- 5 - [www.federalpay.org/employees/occupations/patent-examining](http://www.federalpay.org/employees/occupations/patent-examining)
- 6 - [www.ford.com/cars/mustang/](http://www.ford.com/cars/mustang/)
- 7 - [fred.stlouisfed.org/series/APU0000703613](http://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 - FactSet.
- 10 - <https://fred.stlouisfed.org/series/GDP>

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

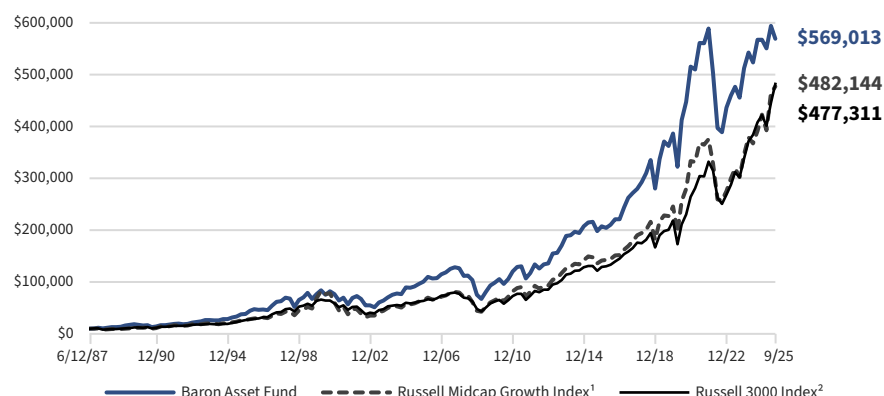
The **Dow Jones Industrial Average** is a price-weighted measure of 30 U.S. blue-chip companies. It covers all industries with the exception of Transportation and Utilities. The **S&P 500 Index** measures the performance of 500 widely held large-cap U.S. companies. The indexes include reinvestment of 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 Funds Performance

### Growth of \$10,000 Investment (Institutional Shares)<sup>^</sup>

#### Baron Asset Fund<sup>®</sup> (Inception Date: 6/12/1987)

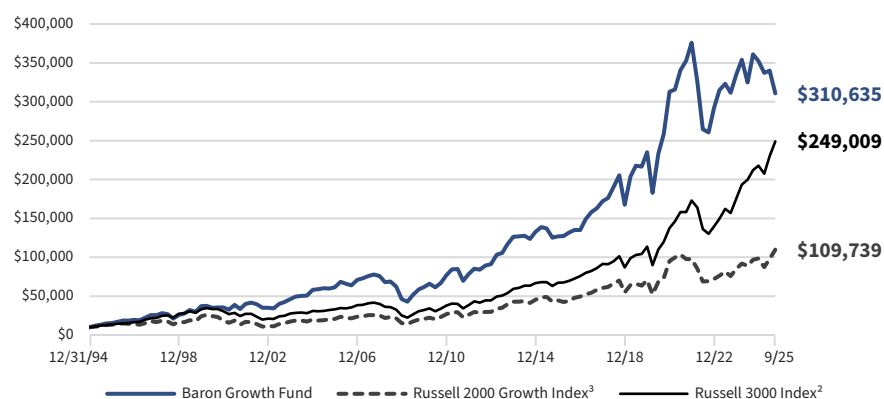


#### Annualized Returns (%)

	BARIX	Russell Midcap Growth Index <sup>1</sup>	Russell 3000 Index <sup>2</sup>
3 Months <sup>*</sup>	(4.23)	2.78	8.18
1 Year	0.26	22.02	17.41
3 Years	13.52	22.85	24.12
5 Years	4.93	11.26	15.74
10 Years	11.11	13.37	14.71
Since Inception	11.13	10.63 <sup>†</sup>	10.65
Net Assets	\$3.79B	—	—

**M** Mid Cap

#### Baron Growth Fund<sup>®</sup> (Inception Date: 12/31/1994)

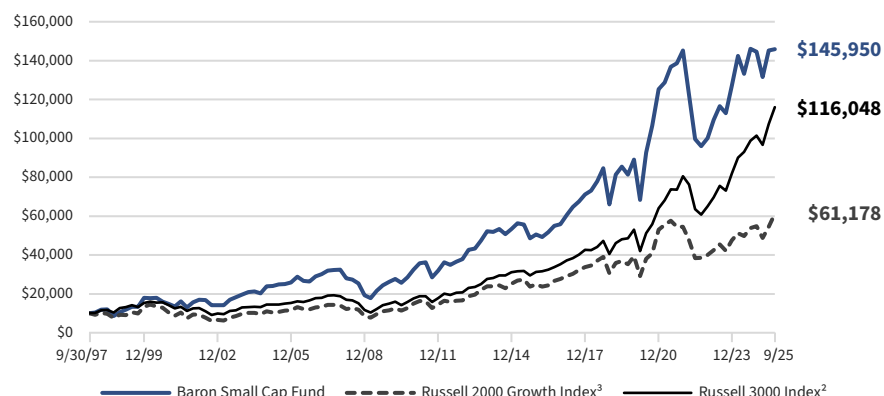


#### Annualized Returns (%)

	BGRIX	Russell 2000 Growth Index <sup>3</sup>	Russell 3000 Index <sup>2</sup>
3 Months <sup>*</sup>	(8.69)	12.19	8.18
1 Year	(13.95)	13.56	17.41
3 Years	6.03	16.68	24.12
5 Years	3.75	8.41	15.74
10 Years	9.51	9.91	14.71
Since Inception	11.82	8.10	11.02
Net Assets	\$4.95B	—	—

**S** Small Cap

#### Baron Small Cap Fund<sup>®</sup> (Inception Date: 9/30/1997)



#### Annualized Returns (%)

	BSFIX	Russell 2000 Growth Index <sup>3</sup>	Russell 3000 Index <sup>2</sup>
3 Months <sup>*</sup>	0.54	12.19	8.18
1 Year	(0.09)	13.56	17.41
3 Years	14.98	16.68	24.12
5 Years	6.49	8.41	15.74
10 Years	11.62	9.91	14.71
Since Inception	10.05	6.68	9.15
Net Assets	\$3.76B	—	—

**S** Small Cap

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.

<sup>†</sup> For the period June 30, 1987 to September 30, 2025.

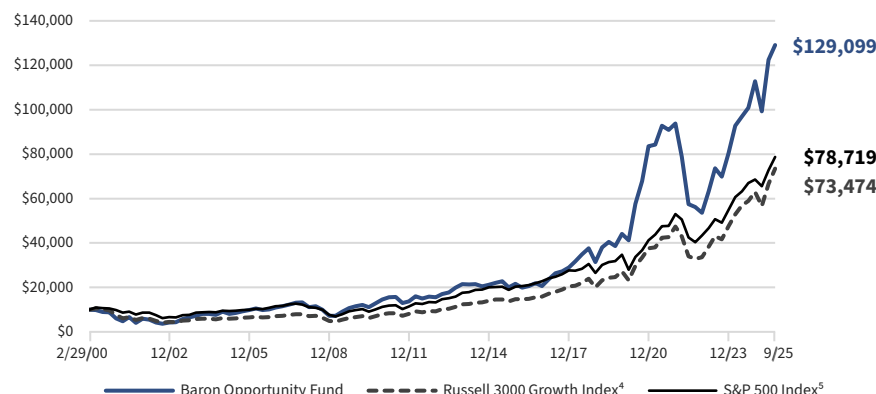
<sup>\*</sup> Not annualized.

<sup>^</sup> Performance for the Institutional Shares prior to May 29, 2009 is based on the performance of the Retail Shares, which have a distribution fee. The Institutional Shares do not have a distribution fee. If the annual returns for the Institutional Shares prior to May 29, 2009 did not reflect this fee, the returns would be higher. See index footnotes on page 20.



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

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

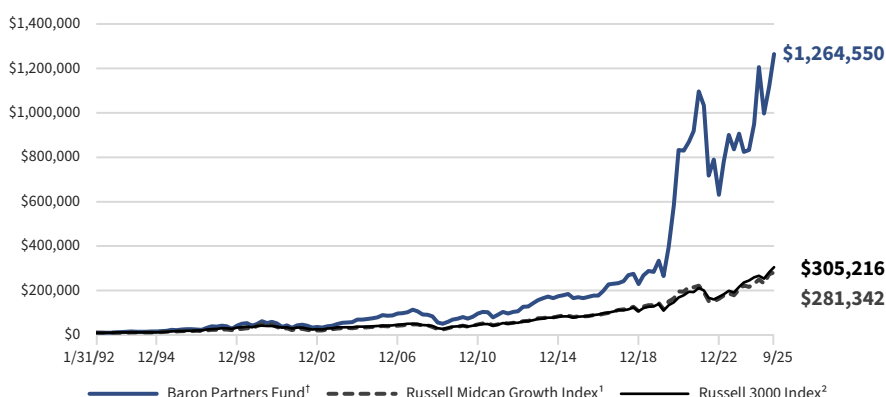


#### Annualized Returns (%)

	BIOIX	Russell 3000 Growth Index <sup>4</sup>	S&P 500 Index <sup>5</sup>
3 Months*	5.44	10.41	8.12
1 Year	28.07	24.79	17.60
3 Years	31.96	30.76	24.94
5 Years	13.71	17.03	16.47
10 Years	20.50	18.26	15.30
Since Inception	10.52	8.11	8.40
Net Assets	\$1.76B	—	—

**A** All Cap

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

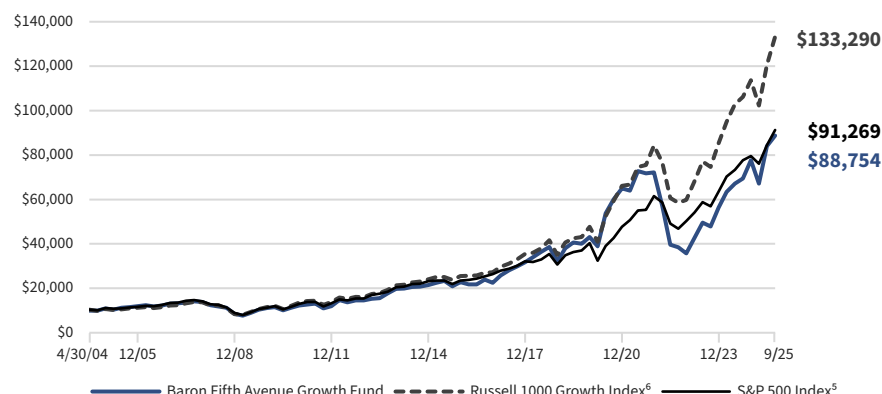


#### Annualized Returns (%)

	BPTIX	Russell Midcap Growth Index <sup>1</sup>	Russell 3000 Index <sup>2</sup>
3 Months*	13.17	2.78	8.18
1 Year	33.23	22.02	17.41
3 Years	17.03	22.85	24.12
5 Years	16.76	11.26	15.74
10 Years	22.56	13.37	14.71
Since Inception	15.46	10.42	10.69
Net Assets	\$8.12B	—	—

**A** All Cap

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



#### Annualized Returns (%)

	BFTIX	Russell 1000 Growth Index <sup>6</sup>	S&P 500 Index <sup>5</sup>
3 Months*	5.72	10.51	8.12
1 Year	27.76	25.53	17.60
3 Years	32.13	31.61	24.94
5 Years	8.13	17.58	16.47
10 Years	15.57	18.83	15.30
Since Inception	10.73	12.85	10.88
Net Assets	\$767.72M	—	—

**L** Large Cap

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

\* Not annualized.

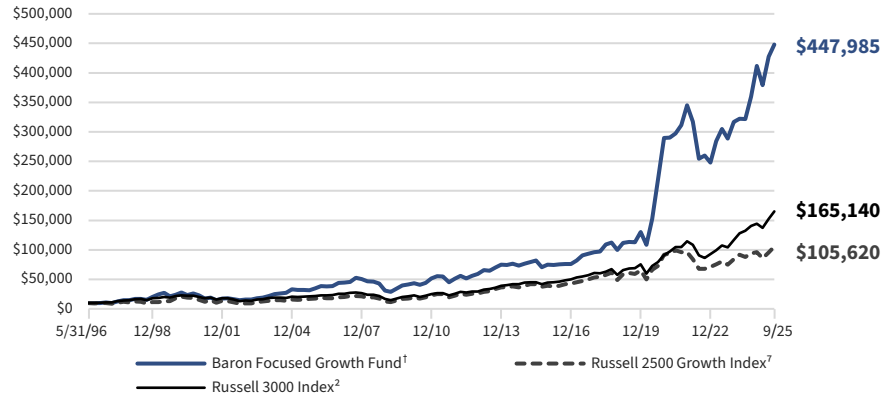
<sup>^</sup> Performance for the Institutional Shares prior to May 29, 2009 is based on the performance of the Retail Shares, which have a distribution fee. The Institutional Shares do not have a distribution fee. If the annual returns for the Institutional Shares prior to May 29, 2009 did not reflect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

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

## Baron Funds Performance

### Growth of \$10,000 Investment (Institutional Shares)<sup>^</sup>

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

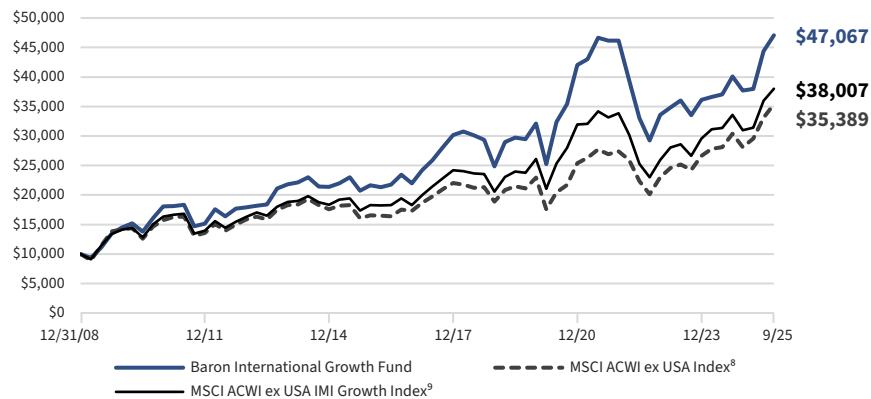


#### Annualized Returns (%)

	BFGIX	Russell 2500 Growth Index <sup>7</sup>	Russell 3000 Index <sup>2</sup>
3 Months*	4.83	10.73	8.18
1 Year	24.61	12.62	17.41
3 Years	19.91	15.97	24.12
5 Years	15.40	7.76	15.74
10 Years	20.30	10.93	14.71
Since Inception	13.84	8.37	10.03
Net Assets	\$2.81B	—	—

**S-M** Small-Mid Cap

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

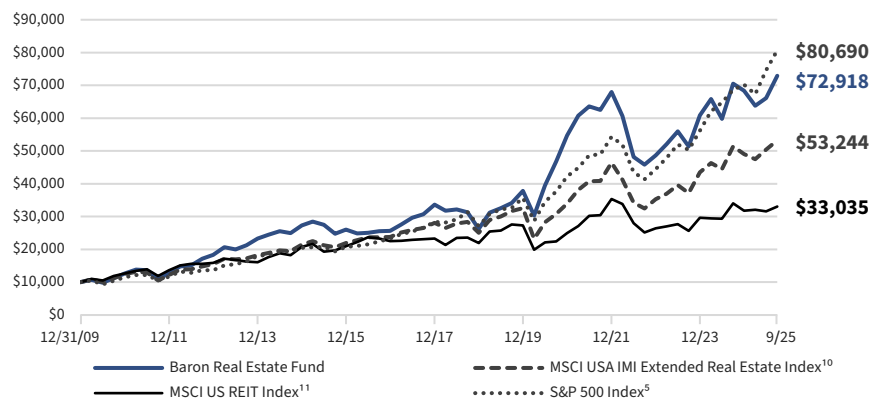


#### Annualized Returns (%)

	BINIX	MSCI ACWI ex USA Index <sup>8</sup>	MSCI ACWI ex USA IMI Growth Index <sup>9</sup>
3 Months*	6.04	6.89	5.75
1 Year	17.48	16.45	13.18
3 Years	17.20	20.67	18.26
5 Years	5.84	10.26	6.32
10 Years	8.56	8.23	8.15
Since Inception	9.69	7.84	8.30
Net Assets	\$365.63M	—	—

**non US** Non-U.S./Global

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



#### Annualized Returns (%)

	BREIX	MSCI USA IMI Extended Real Estate Index <sup>10</sup>	MSCI US REIT Index <sup>11</sup>	S&P 500 Index <sup>5</sup>
3 Months*	10.25	5.65	4.49	8.12
1 Year	3.42	3.54	(2.88)	17.60
3 Years	16.75	17.89	9.51	24.94
5 Years	9.27	11.58	8.04	16.47
10 Years	11.41	9.92	5.31	15.30
Since Inception	13.44	11.20	7.88	14.18
Net Assets	\$2.36B	—	—	—

**SCT** Sector

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

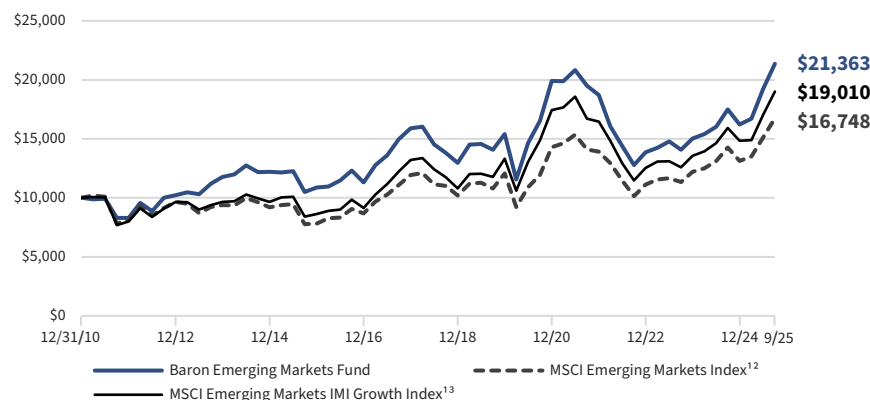
\* Not annualized.

<sup>^</sup> 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.

<sup>†</sup> Reflects the actual fees and expenses that were charged when the Fund was a partnership. The predecessor partnership charged a 15% performance fee through 2003 after reaching a certain performance benchmark. If the annual returns for the Fund did not reflect the performance fees for the years the predecessor partnership charged a performance fee, the returns would be higher. The Fund's shareholders will not be charged a performance fee. The predecessor partnership's performance is only for the periods before the Fund's registration statement was effective, which was June 30, 2008. During those periods, the predecessor partnership was not registered under the Investment Company Act of 1940 and was not subject to its requirements or the requirements of the Internal Revenue Code relating to registered investment companies, which, if it were, might have adversely affected its performance. See index footnotes on page 20.

## Growth of \$10,000 Investment (Institutional Shares)

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

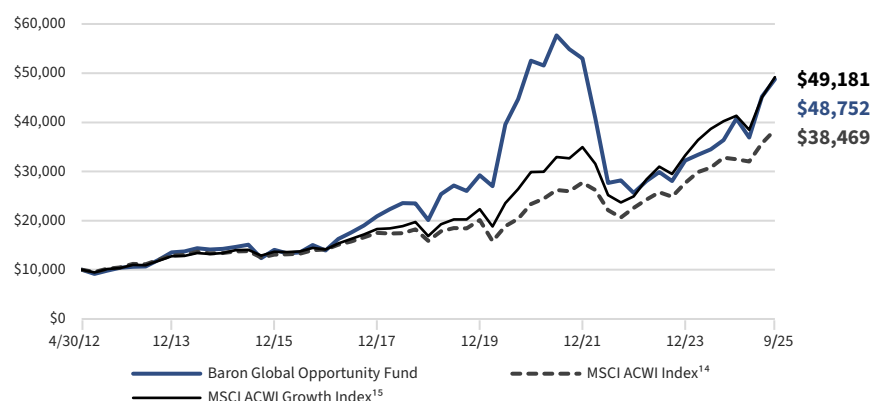


#### Annualized Returns (%)

	BEXIX	MSCI Emerging Markets Index <sup>12</sup>	MSCI Emerging Markets IMI Growth Index <sup>13</sup>
3 Months*	10.89	10.64	11.48
1 Year	22.11	17.32	19.42
3 Years	18.69	18.21	18.34
5 Years	5.27	7.02	5.03
10 Years	7.35	7.99	8.51
Since Inception	5.28	3.56	4.45
Net Assets	\$3.72B	—	—

Non-U.S./Global

### Baron Global Opportunity Fund®† (Inception Date: 4/30/2012)

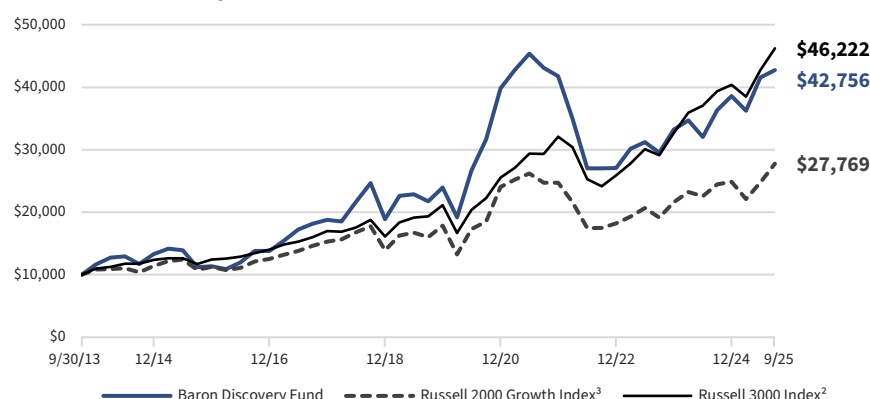


#### Annualized Returns (%)

	BGAIX	MSCI ACWI Index <sup>14</sup>	MSCI ACWI Growth Index <sup>15</sup>
3 Months*	7.71	7.62	8.98
1 Year	33.91	17.27	22.21
3 Years	20.07	23.12	27.54
5 Years	1.73	13.54	13.25
10 Years	14.71	11.91	14.34
Since Inception	12.53	10.56	12.61
Net Assets	\$666.27M	—	—

Non-U.S./Global

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



#### Annualized Returns (%)

	BDFIX	Russell 2000 Growth Index <sup>3</sup>	Russell 3000 Index <sup>2</sup>
3 Months*	2.85	12.19	8.18
1 Year	17.61	13.56	17.41
3 Years	16.52	16.68	24.12
5 Years	6.16	8.41	15.74
10 Years	14.36	9.91	14.71
Since Inception	12.87	8.88	13.61
Net Assets	\$1.90B	—	—

Small Cap

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

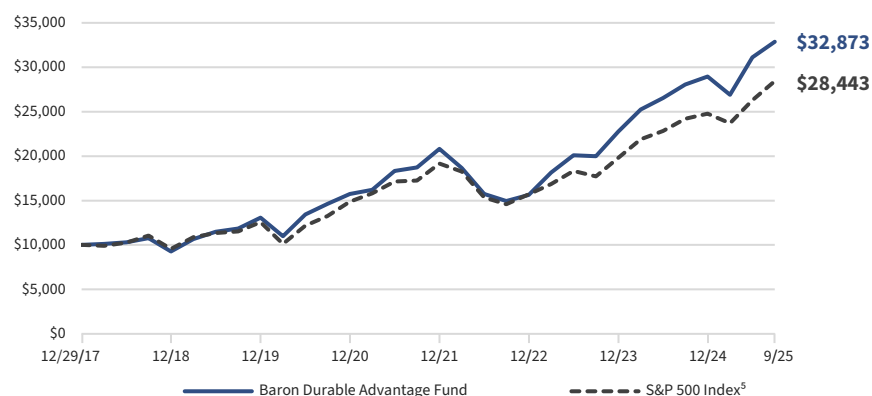
\* Not annualized.

† As stated within the Supplement to the Prospectus and Statement of Additional Information dated April 30, 2025, effective October 1, 2025, Baron Global Advantage Fund® has changed its name to Baron Global Opportunity Fund®. For additional information please refer to the Supplement. See index footnotes on page 20.

## Baron Funds Performance

### Growth of \$10,000 Investment (Institutional Shares)

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

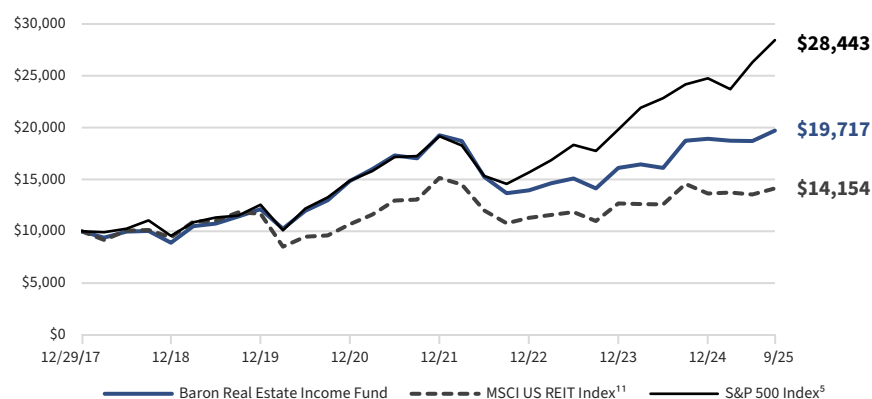


#### Annualized Returns (%)

	BDAIX	S&P 500 Index <sup>5</sup>
3 Months*	5.62	8.12
1 Year	17.12	17.60
3 Years	30.03	24.94
5 Years	17.58	16.47
Since Inception	16.60	14.44
Net Assets	\$525.30M	—

**L** Large Cap

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

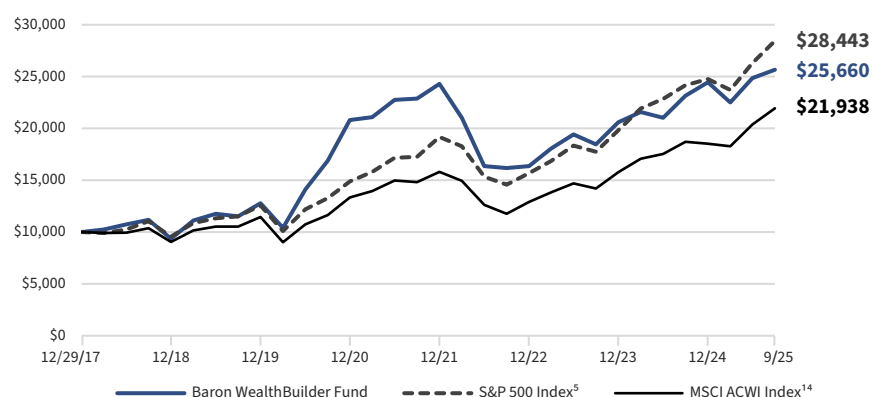


#### Annualized Returns (%)

	BRIIX	MSCI US REIT Index <sup>11</sup>	S&P 500 Index <sup>5</sup>
3 Months*	5.43	4.49	8.12
1 Year	5.15	(2.88)	17.60
3 Years	12.97	9.51	24.94
5 Years	8.70	8.04	16.47
Since Inception	9.16	4.58	14.44
Net Assets	\$262.44M	—	—

**SCT** Sector

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



#### Annualized Returns (%)

	BWBIX	S&P 500 Index <sup>5</sup>	MSCI ACWI Index <sup>14</sup>
3 Months*	3.20	8.12	7.62
1 Year	10.81	17.60	17.27
3 Years	16.60	24.94	23.12
5 Years	8.71	16.47	13.54
Since Inception	12.93	14.44	10.67
Net Assets	\$555.55M	—	—

**EA** Equity Allocation

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

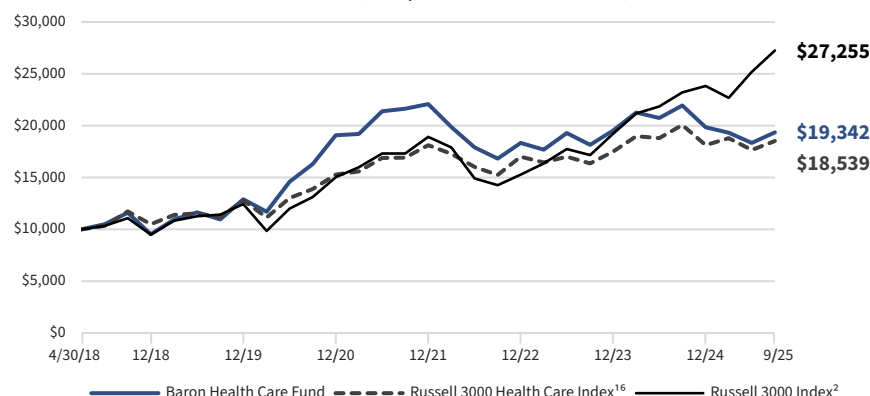
\* Not annualized.

See index footnotes on page 20.



## Growth of \$10,000 Investment (Institutional Shares)

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

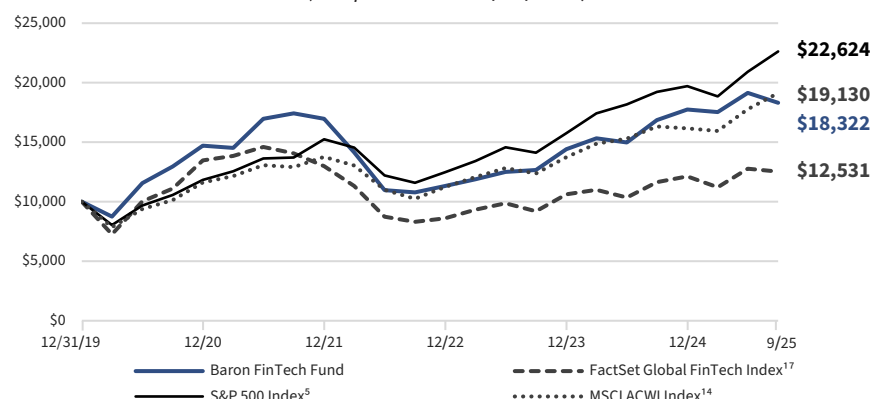


#### Annualized Returns (%)

	BHCHX	Russell 3000 Health Care Index <sup>16</sup>	Russell 3000 Index <sup>2</sup>
3 Months*	5.39	5.05	8.18
1 Year	(11.83)	(7.62)	17.41
3 Years	4.75	6.71	24.12
5 Years	3.48	5.96	15.74
Since Inception	9.30	8.68	14.48
Net Assets	\$135.29M	—	—

SCT Sector

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

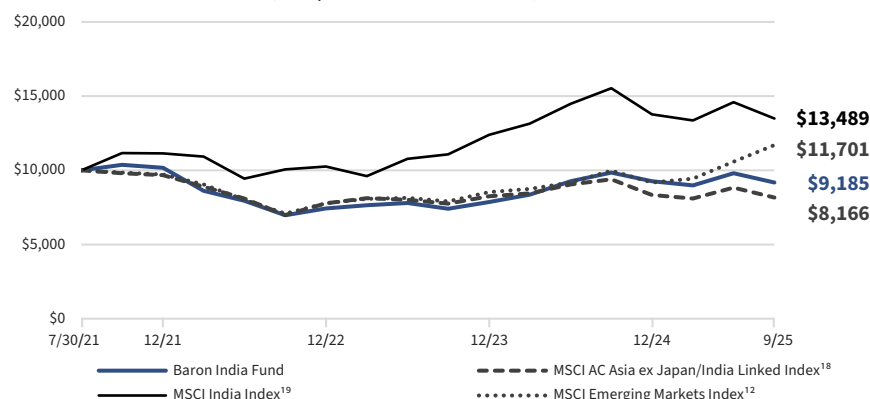


#### Annualized Returns (%)

	BFIIX	FactSet Global FinTech Index <sup>17</sup>	S&P 500 Index <sup>5</sup>	MSCI ACWI Index <sup>14</sup>
3 Months*	(4.29)	(1.90)	8.12	7.62
1 Year	8.66	7.74	17.60	17.27
3 Years	19.31	14.79	24.94	23.12
5 Years	7.19	2.44	16.47	13.54
Since Inception	11.10	4.00	15.26	11.94
Net Assets	\$71.05M	—	—	—

SCT Sector

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



#### Annualized Returns (%)

	BINDX	MSCI AC Asia ex Japan/India Linked Index <sup>18</sup>	MSCI India Index <sup>19</sup>	MSCI Emerging Markets Index <sup>12</sup>
3 Months*	(6.34)	(7.61)	(7.61)	10.64
1 Year	(6.72)	(13.15)	(13.15)	17.32
3 Years	9.63	5.35	10.30	18.21
Since Inception	(2.02)	(4.74)	7.45	3.84
Net Assets	\$21.48M	—	—	—

non US Non-U.S./Global

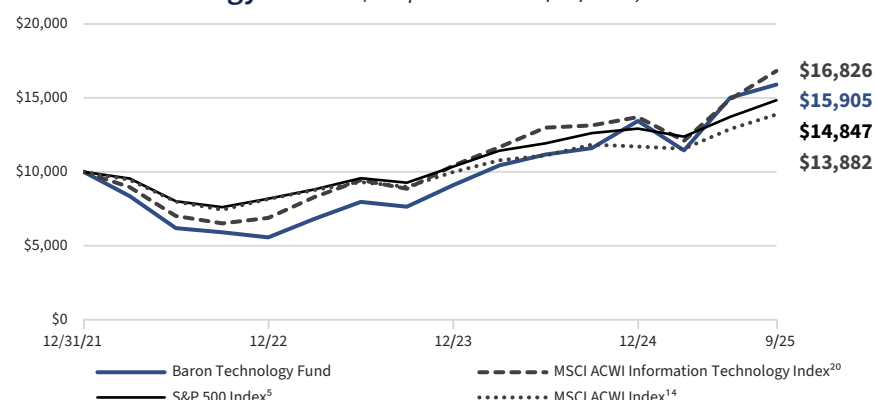
The Funds, MSCI India Index, MSCI Emerging Markets Index, MSCI AC Asia ex Japan/India Linked Index, and MSCI ACWI Index include reinvestment of dividends, net of foreign withholding taxes, while the Russell 3000 Health Care Index, Russell 3000 Index, FactSet Global FinTech Index and S&P 500 Index include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

\* Not annualized.

See index footnotes on page 20.

## Growth of \$10,000 Investment (Institutional Shares)

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



### Annualized Returns (%)

	BTECX	MSCI ACWI Information Technology Index <sup>20</sup>	S&P 500 Index <sup>3</sup>	MSCI ACWI Index <sup>14</sup>
3 Months*	5.89	12.76	8.12	7.62
1 Year	36.99	28.09	17.60	17.27
3 Years	39.10	37.19	24.94	23.12
Since Inception	13.17	14.88	11.11	9.14
Net Assets	\$103.19M	—	—	—

SCT Sector

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

\* Not annualized.

<sup>1</sup> The Russell Midcap® Growth Index measures the performance of medium-sized U.S. companies that are classified as growth.

<sup>2</sup> 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.

<sup>3</sup> The Russell 2000® Growth Index measures the performance of small-sized U.S. companies that are classified as growth.

<sup>4</sup> The Russell 3000® Growth Index measures the performance of the broad growth segment of the U.S. equity universe.

<sup>5</sup> The S&P 500 Index measures the performance of 500 widely held large-cap U.S. companies.

<sup>6</sup> The Russell 1000® Growth Index measures the performance of large-sized U.S. companies that are classified as growth.

<sup>7</sup> The Russell 2500™ Growth Index measures the performance of small to medium-sized U.S. companies that are classified as growth.

<sup>8</sup> 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.

<sup>9</sup> 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.

<sup>10</sup> 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.

<sup>11</sup> 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.

<sup>12</sup> 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.

<sup>13</sup> 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.

<sup>14</sup> 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.

<sup>15</sup> 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.

<sup>16</sup> 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.

<sup>17</sup> 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.

<sup>18</sup> 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.

<sup>19</sup> 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.

<sup>20</sup> 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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MSCI is the source and owner of the trademarks, service marks and copyrights related to the MSCI Indexes.

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

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

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

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

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

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# Baron Discovery Fund®

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

## Dear Baron Discovery Fund Shareholder,

### Performance

Baron Discovery Fund (the Fund) ended the third quarter up 10.75% (Institutional Shares) year-to-date, which was 0.90% below the Russell 2000 Growth Index (the Benchmark). After outperforming the Benchmark in the first half of the year, the Fund underperformed during the third quarter, increasing 2.85% compared to the Benchmark's gain of 12.19%.

When the Fund underperforms during a short period of time, e.g., one quarter, the majority of the underperformance is generally due to one of three drivers: poor individual stock picking ("stock specific effects"), overweighting poorly performing sectors or conversely underweighting outperforming sectors ("industry effects"), and lastly, over/underexposure to certain style factors that may be in vogue or out of favor during a given period ("style effects"). During the third quarter, it was this last circumstance that caused the majority of our underperformance.

We believe that the best way to create alpha over the long term is to invest in fast-growing businesses with high-quality earnings streams. It has been our experience that through a full cycle, these are the stocks that are most likely to outperform the overall market. That being said, there are periods of market frothiness where long-term high-quality investing fails to match up to short-term speculative fever. This is exactly what we witnessed in the third quarter when being overexposed to the Earnings Quality factor was a significant headwind (see chart). Going back 50 years, Earnings Quality has never performed worse as a factor that it did during this quarter (and this includes the meme stock frenzy during COVID-19 and the internet bubble in the late 1990s). History shows that these "junk rallies," as they are sometimes called, tend to run hot and then burn out quickly (e.g., the bursting of the COVID-19 and internet bubbles).



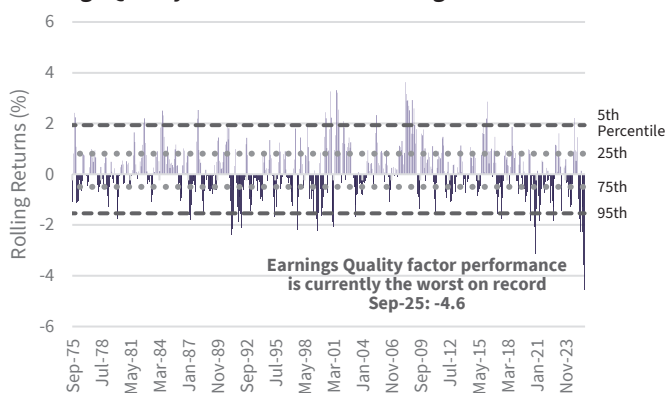
Randy Gwirtzman  
Portfolio Manager

Laird Bieger  
Portfolio Manager

### Annualized performance (%) for period ended September 30, 2025<sup>†</sup>

	Fund Retail Shares <sup>1,2</sup>	Fund Institutional Shares <sup>1,2</sup>	Russell 2000 Growth Index <sup>1</sup>	Russell 3000 Index <sup>1</sup>
QTD <sup>3</sup>	2.79	2.85	12.19	8.18
YTD <sup>3</sup>	10.56	10.75	11.65	14.40
1 Year	17.31	17.61	13.56	17.41
3 Years	16.23	16.52	16.68	24.12
5 Years	5.89	6.16	8.41	15.74
10 Years	14.06	14.36	9.91	14.71
Since Inception (9/30/2013)	12.59	12.87	8.88	13.61
Since Inception (9/30/2013) (Cumulative) <sup>3</sup>	314.81	327.56	177.69	362.22

### Earnings Quality Factor - 3-Month Rolling Returns

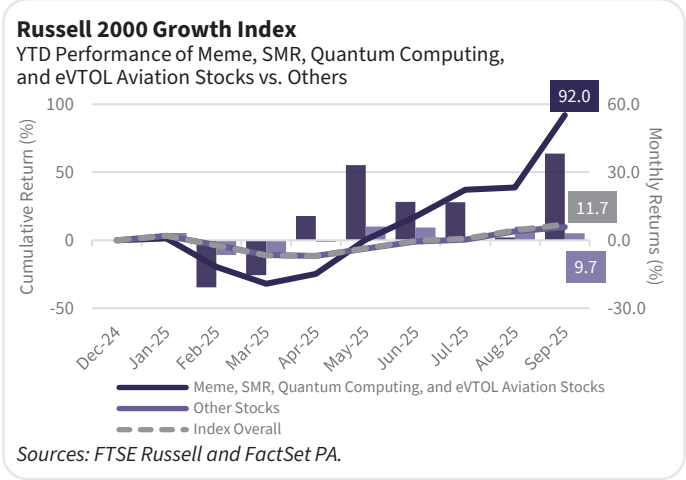


Sources: FactSet and MSCI Barra USSLOW Factor Model.

Performance listed in the above table is net of annual operating expenses. Annual expense ratio for the Retail Shares and Institutional Shares as of January 28, 2025 was 1.32% and 1.05%, respectively. The performance data quoted represents past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original cost. The Adviser may waive or reimburse certain Fund expenses pursuant to a contract expiring on August 29, 2036, 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](http://BaronCapitalGroup.com) or call 1-800-99-BARON.

SMALL CAP

During these periods, while it is never fun to underperform, we believe the best course of action is to stick to our process and focus on the fundamentals of our individual portfolio companies. We think the best long-term strategy for capital preservation and alpha creation is to never chase the latest investment fad, especially when the stocks that are outperforming are companies that are not getting to break-even free cash flow during our five-year investment horizon. In our experience, we will likely have one bear market period during a five-year investment horizon. It is also our belief that stocks that don't have a clear path to cash flow break-even tend to have the largest stock declines when, in bear markets, investors are seeking safety. With that backdrop, it should not be surprising that we have not invested in the sectors with the most speculation. Specifically, we purposely have not invested in the small modular reactor (SMR), quantum computing, and electric vertical takeoff and landing (eVTOL) aviation sectors (and we have avoided the Reddit “meme” stocks). This basket of stocks (10 in total) was up 92% year-to-date through the end of September, and despite only having an average weight of 2.1% in the Benchmark, the group was responsible for 20% of the Benchmark’s gains. As we analyze our performance, the positive is that when removing these more speculative areas of the small-cap growth stock universe, the Fund is outperforming year-to-date (10.6% versus a 9.7% gain for the non-meme, SMR, quantum computing, and eVTOL aviation stocks in the Benchmark).



Top contributors to performance for the quarter

	Contribution to Return (%)
Kratos Defense & Security Solutions, Inc.	2.42
Mercury Systems, Inc.	1.21
Karman Holdings Inc.	0.96
Montrose Environmental Group, Inc.	0.70
Wynn Resorts, Limited	0.67

Leading defense technology provider **Kratos Defense & Security Solutions, Inc.** contributed to performance following a strong earnings report and continued momentum across its business

segments. Years of investment are beginning to pay off, with the company winning new contracts across multiple divisions. The current defense spending cycle appears to be in a generational upswing amid heightened global conflicts, and Kratos’ innovative solutions position it well to support the U.S. Armed Forces. The current administration’s openness to smaller, agile defense contractors further strengthens Kratos’ opportunity to secure larger awards, supporting our continued conviction in the company.

**Mercury Systems, Inc.** designs, manufactures, and markets high-performance embedded digital signal and image processing systems, mission systems, and software for Tier-1 defense contractors worldwide. Shares rose during the quarter following another strong earnings report, reflecting the material progress made since CEO Bill Ballhaus began restructuring the company in 2023. Mercury continues to deliver meaningful margin expansion and is benefiting from a generational increase in defense spending across the ecosystem, particularly among the nation’s flagship defense programs, for which it serves as a mission-critical supplier of electronic components and solutions. We continue to expect accelerating growth and further margin expansion in the years ahead.

Shares of **Karman Holdings Inc.**, a best-in-class supplier of defense systems, rose during the quarter as the company continued to benefit from a generational increase in defense spending. Demand was especially strong across the nation’s flagship defense programs, where Karman is a mission-critical supplier of components and solutions, as well as in emerging segments such as hypersonics, where the company is a leading player. Karman is arguably one of the most important suppliers in the defense industry, given its focus on technically complex systems for a customer base composed largely of prime contractors, enabling margins more than double the peer average. We continue to expect elevated growth and incremental margin expansion as the company solidifies its irreplaceable position in the defense supply chain.

Top detractors from performance for the quarter

	Contribution to Return (%)
PAR Technology Corporation	(0.96)
Inspire Medical Systems, Inc.	(0.71)
Wingstop Inc.	(0.54)
ARS Pharmaceuticals, Inc.	(0.47)
CareDx, Inc.	(0.46)

**PAR Technology Corporation** is a leading global provider of software, systems, and service solutions to the restaurant industry. Shares fell during the quarter after the company lowered its full-year growth outlook to 15% from 20%, reflecting a weaker-than-expected first half driven by soft macroeconomic conditions and deliberate rollout delays for certain customers. These delays were strategic, allowing PAR to focus on securing contracts with several large enterprise restaurant chains currently in late-stage

negotiations, at least one of which could meaningfully expand the company's scale. Despite the slower start to the year, management remains confident in achieving 20% annual recurring revenue growth over the next 12 months, supported by a strong pipeline of contracted and prospective customers, including its ongoing rollout with Burger King. As more enterprise-scale restaurants upgrade their technology stack, we believe PAR is well positioned to capture outsized share as the leading cloud-based platform in the industry. Strong software revenue growth combined with rapidly scaling profitability should drive meaningful long-term performance. That being said, we decreased the position size given the macroeconomic headwinds the company is facing.

**Inspire Medical Systems, Inc.** is a medical device company offering a treatment option called hypoglossal nerve stimulation for patients with moderate-to-severe obstructive sleep apnea. Shares fell during the quarter as management lowered 2025 financial guidance, citing several factors behind the slower-than-expected rollout of Inspire 5, the company's next-generation device. These included delays onboarding centers to a new patient management platform, a postponed Medicare reimbursement code that did not take effect until July 1 due to a software update, patients deferring procedures in anticipation of Inspire 5's availability, and management's decision to pause marketing efforts and new center expansion. In addition, management noted anecdotal reports of some patients delaying procedures to try GLP-1 medications. We exited our position.

**Wingstop Inc.** is a fast-casual restaurant chain known for its cooked-to-order chicken wings and wide flavor variety, operating a highly franchised model across the U.S. and abroad. Shares fell during the quarter amid softening sales momentum. While the company reported better-than-expected quarterly results over the summer, subsequent market data indicated weakening sales trends as the quarter progressed. We attribute this to a broader slowdown in industry spending that has affected Wingstop's customer base. Despite these short-term headwinds, we maintain conviction in Wingstop's long-term growth prospects. The company's asset-light, franchised business model and best-in-class unit economics should continue to support double-digit unit growth for the foreseeable future. We also believe Wingstop's technology initiatives to reduce order times will drive improved sales and that the company will benefit from continued growth in marketing and brand awareness.

## Portfolio Structure

The Fund's top 10 positions represented 29.9% of the Fund's net assets, which is in line with the historical average.

### Top 10 holdings

	Year Acquired	Quarter End Investment Value (\$M)	Percent of Net Assets (%)
Exact Sciences Corporation	2024	71.5	3.8
Mercury Systems, Inc.	2015	71.2	3.7
Liberty Media Corporation - Liberty Live	2023	67.9	3.6
Karman Holdings Inc.	2025	61.0	3.2
Kratos Defense & Security Solutions, Inc.	2020	56.4	3.0
DraftKings Inc.	2023	50.5	2.7
Loar Holdings Inc.	2024	50.3	2.6
Dynatrace, Inc.	2019	47.8	2.5
Advanced Energy Industries, Inc.	2019	46.8	2.5
Wynn Resorts, Limited	2025	44.9	2.4

## Recent Activity

### Top net purchases for the quarter

	Year Acquired	Quarter End Market Cap (\$B)	Net Amount Purchased (\$M)
Primo Brands Corporation	2025	8.3	38.0
Birkenstock Holding plc	2025	8.3	36.3
Netskope, Inc.	2025	8.7	28.7
Badger Meter, Inc.	2025	5.3	26.0
AAON, Inc.	2025	7.6	24.5

During the quarter, we established a new position in **Primo Brands Corporation**. Primo Brands owns the leading bottled spring water brands and the nation's largest home and office water delivery service. The company was formed through the November 2024 combination of Primo Water and Blue Triton Brands. Primo Brands is fully vertically integrated. It owns or leases water supply (springs and municipal water sources), treats the water, bottles it, transports it to hubs, and distributes it last-mile to retail or the home. Primo Brands goes to market with 13 different brands. It has 7 brands that are over 100 years old, and 4 that date back to the 1800s. Primo Brands also owns high growth premium brands such as Saratoga and Mountain Valley Springs.

We think the stock is attractive for several reasons. First, the company benefits from strong barriers to entry. In the retail channel, brand recognition, distribution capability, and scale are the principal competitive advantages that have led to Primo Brands' number one market share position in the water category, ahead of large beverage companies such as Coca-Cola and PepsiCo. In home and office delivery, Primo Brands has unrivaled route density that results in powerful local economies of scale and protects its 70%-plus market share. Second, there are tailwinds driving growth in water consumption. Consumers are becoming more health conscious and are trading sugary soft drinks for water. The aging municipal water infrastructure in the U.S. is also leading more people to seek out high-quality spring and purified water.

We built our position after the stock traded sharply lower following a second quarter earnings release that revealed challenges stemming from the integration of Primo Water and Blue Triton. As part of the merger, management identified opportunities to save costs through the elimination of redundant manufacturing plants and distribution branches. Execution of this plan during the first half of 2025 led to unexpected service disruptions in the home and office delivery segment. The problems were caused by changes to five-gallon jug availability and adoption of new technology systems used by drivers to manage their deliveries. These issues negatively impacted the timing of highly calibrated routes and led to a temporary reduction in on-time, in-full delivery rates. In response to these challenges management is sacrificing margin to win back churned customers and is delaying plans to increase prices. The business is now trading at what we believe is a very attractive multiple of fundamental earnings power. We believe management has a good handle on these transitory headwinds and expect the business to return to its normal rate of growth in the coming quarters. Primo Brands is poised to generate significant free cash flow in the years ahead, and we believe the stock will warrant a materially higher valuation once the company solves these current challenges.

In the third quarter we purchased shares of **Birkenstock Holding plc**. Birkenstock is a global footwear brand with roots dating back to 1774. The brand is most known for its iconic "Arizona" and "Boston" sandals, and the brand has been embedded in U.S. culture since the 1960s and 1970s. Although the Birkenstock brand has been around for over 250 years, in 2009 the Birkenstock family brought in its first outside management team led by Oliver Reichert. Under new leadership and vision, the business has been transformed from a family-owned, production-oriented company into a global, professionally managed enterprise committed to growing the Birkenstock brand. Following the addition of outside management, Birkenstock revenues have grown at a 20% CAGR from fiscal 2014 to fiscal 2025. In 2025, the company generated revenues of €2.1 billion with profitability margins in the mid 30% range. This combination of an iconic brand with high growth and industry leading profitability makes the Birkenstock brand a unique asset.

Unlike almost all other footwear brands, Birkenstock manufactures its products in-house with over 95% of its products manufactured in Germany. This provides Birkenstock with better quality control and less external risk. Birkenstock products are sold both direct and through wholesale partners. Wholesale represents roughly 64% of sales and Birkenstock products were sold in 6,000 selected wholesale partners in over 75 countries ranging from orthopedic specialists to major department stores, to high-end fashion boutiques. The remaining 36% of sales are generated direct-to-consumer, with the vast majority sold through e-commerce. The company has just 90 stores, which we expect to continue growing.

Birkenstock's strongest, most developed regions are the Americas and Europe, which represented 53% and 36% of revenues in fiscal 2022, respectively.

We believe that Birkenstock will be able to grow revenue in the mid-high teens over the medium term. The company's growth should be driven by continued growth in its core styles, an expanding year-round product mix, growing the number of stores, and geographic expansion, particularly in the APAC region. We also believe that Birkenstock will be able to maintain its industry leading profitability due to high brand awareness, vertical integration, and the high proportion of products sold at full prices.

During the quarter, we initiated a position in **Netskope, Inc.**, a leading cybersecurity company specializing in Secure Access Service Edge (SASE). SASE is a large, fast-growing IT category that converges several historically separate networking and security products, including data loss prevention, secure web gateways, cloud application access, and private network access. Netskope provides a unified SASE platform that inspects and secures all of a company's data traffic—whether to the web, the cloud, or private applications—allowing it to enforce security policies, prevent data loss, and stop threats in real-time, all while enhancing network speed and performance. The company serves over 4,300 customers, including more than 30% of the Fortune 100.

The rising cybersecurity threat environment, proliferation of cloud and AI applications, and new regulatory requirements have made SASE a critical priority for large enterprises. Gartner expects the \$15 billion addressable market today to nearly double by 2028. Netskope has been gaining market share in this space due to its next-generation technology. Unlike many peers who rely on public cloud infrastructure, Netskope spent years and hundreds of millions of dollars to build and operate its own global network of over 120 data centers. This gives the company full control over performance and results in faster connectivity for its users. Critically, Netskope's founders designed the platform to deeply inspect and understand the "language of the cloud," allowing for far more granular control over how employees interact with modern applications, including new generative AI tools. This unique architecture has resulted in strong win rates, accelerating revenue growth, and best-in-class customer retention, with a 96% gross retention rate.



We believe Netskope is well positioned for durable growth and significant margin expansion. New customer growth has accelerated, while the company maintains a healthy 117% net revenue retention rate as existing customers expand their usage. With the average customer still using only a fraction of Netskope's 20-plus products, there is a long runway for continued wallet share capture. Furthermore, with the heavy capital investment in its global network largely complete, the company has begun to generate strong operating leverage. We expect this trend to continue as Netskope scales, driving substantial free cash flow generation and creating long-term shareholder value.

#### Top net sales for the quarter

	Year Acquired	Market Cap When Acquired (\$B)	Quarter End Market Cap or Market Cap When Sold (\$B)	Net Amount Sold (\$M)
CyberArk Software Ltd.	2022	5.2	20.9	55.1
Kratos Defense & Security Solutions, Inc.	2020	2.2	15.4	53.0
Chart Industries, Inc.	2022	5.3	8.9	39.8
Montrose Environmental Group, Inc.	2020	0.4	1.0	18.0
PAR Technology Corporation	2018	0.3	1.6	16.9

We sold our position in **CyberArk Software Ltd.**, the global leader in identity security, after the company agreed to be acquired by fellow cybersecurity firm Palo Alto Networks, Inc. Similarly, we exited our position in industrial equipment maker **Chart Industries, Inc.** after the company agreed to be acquired by Baker Hughes. Both companies performed well since we first established positions back in 2022, contributing meaningfully to the Fund's excess returns.

We sold some of our investment in defense technology provider **Kratos Defense & Security Solutions, Inc.** after a significant share run-up in the quarter. During the quarter, Kratos had gotten beyond our 4% threshold for position size and was also nearing our longer-term valuation. This is part of our continuous, objective investment process. We still hold a meaningful investment in the company as we believe Kratos is well positioned in hypersonic technology, drone engines, small missile engines, space, microwave electronics, and unmanned systems. And we believe in the quality of the Kratos management team to deliver further success in the years ahead.

Shares of **Montrose Environmental Group, Inc.**, a leading environmental services company, continued their significant rebound which started in the second quarter. Fears of adverse policy changes at the Environmental Protection Agency under President Trump continue to fade, as we had predicted. Similar to Kratos, we trimmed our investment in Montrose to manage a large position size. We continue to believe in the long-term prospects of the company and see optionality in upside in its PFAS cleanup technology, which deals with so-called "forever plastics."

#### Outlook

We continue to believe the recent frothiness in some of the more speculative areas of small cap will run its course. In the meantime, our portfolio companies continue to execute their growth plans. We believe investing in businesses with high-quality earnings streams will lead to alpha creation over a full economic cycle and we will continue to stick to our investment process despite "Earnings Quality" being out of favor in the current investment climate.

Thank you for your trust in us!



Randy Gwartzman  
Portfolio Manager



Laird Bieger  
Portfolio Manager

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

<sup>1</sup> The **Russell 2000® Growth Index** measures the performance of small-sized U.S. companies that are classified as growth. The **Russell 3000® Index** measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market, as of the most recent reconstitution. All rights in the FTSE Russell Index (the "Index") vest in the relevant LSE Group company which owns the Index. Russell® is a trademark of the relevant LSE Group company and is used by any other LSE Group company under license. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. The Fund includes reinvestment of dividends, net of withholding taxes, while the Russell 2000® Growth and Russell 3000® Indexes include reinvestment of dividends before taxes. Reinvestment of dividends positively impacts the performance results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly in an index.

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

<sup>3</sup> Not annualized.

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

**Risks:** Specific risks associated with investing in smaller companies include that the securities may be thinly traded and more difficult to sell during market downturns. Even though the Fund is diversified, it may establish significant positions where the Adviser has the greatest conviction. This could increase volatility of the Fund's returns.

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

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

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

**Alpha** is a measure of an investment's performance that indicates its ability to generate returns in excess of its benchmark. The portfolio manager defines "**Best-in-class**" as well-managed, competitively advantaged, faster growing companies with higher margins and returns on invested capital and lower leverage that are leaders in their respective markets. Note that this statement represents the manager's opinion and is not based on a third-party ranking. **Enterprise Value (EV)** is a measure of a company's total value, often used as a more comprehensive alternative to equity market capitalization. EV includes in its calculation the market capitalization of a company but also short-term and long-term debt as well as any cash on the company's balance sheet. **Free Cash Flow (FCF)** represents the cash that a company generates after accounting for cash outflows to support operations and maintain its capital assets.

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



QUARTERLY LETTER | SEPTEMBER 30, 2025

# Baron Growth Fund®

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

## Dear Baron Growth Fund Shareholder,

### Performance

Baron Growth Fund (the Fund) declined 8.69% (Institutional Shares) for the quarter ended September 30, 2025. This trailed the return of the Fund's benchmark, the Russell 2000 Growth Index (the Benchmark), which gained 12.19% for the quarter. The Russell 3000 Index, which measures the performance of the 3,000 largest publicly traded U.S. companies, gained 8.18% for the quarter.

Our strategy of owning a portfolio of competitively advantaged smaller and medium-sized growth businesses remained out of favor this quarter. Investors have aggressively reduced their exposure to the high-quality stocks (as defined by MSCI Barra) that exclusively populate our Fund to bid up relatively more volatile, riskier stocks. We estimate that this has been the single worst six-month period for high-quality stocks since data started being tracked in 1975. While our performance has and will be variable across quarters, we are confident that our focus on owning a portfolio of sustainably differentiated businesses with exceptional management teams and owning them for the long term will continue to generate attractive returns over time.

The Fund has endured an unusually challenging six-month period. Since March 31, the Fund has declined (7.90%), which compares to a 25.62% gain in the Benchmark. We attribute approximately two-thirds of our relative underperformance to our focus on owning leading businesses in their sectors, which has been the foundation of our strategy since inception. We attribute around 20% of our relative underperformance to several positions where the market's assessment of AI risk differed from our own. We attribute the residual 15% of our underperformance to a combination of industry exposures and other factors that tend to fluctuate across quarters.

*Performance listed in the above table is net of annual operating expenses. Annual expense ratio for the Retail shares and Institutional shares as of January 28, 2025 was 1.34% and 1.08%, respectively (comprised of operating expenses of 1.29% and 1.03%, respectively, and interest expense of 0.05% and 0.05%, respectively). The performance data quoted represents past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original cost. The Fund's transfer agency expenses may be reduced by expense offsets from an unaffiliated transfer agent, without which performance would have been lower. Current performance may be lower or higher than the performance data quoted. For performance information current to the most recent month end, visit [BaronCapitalGroup.com](http://BaronCapitalGroup.com) or call 1-800-99-BARON.*



Neal Rosenberg  
Portfolio Manager

Ron Baron  
CEO, Portfolio Manager

### Annualized performance (%) for period ended September 30, 2025

	Fund Retail Shares <sup>1,2</sup>	Fund Institutional Shares <sup>1,2,3</sup>	Russell 2000 Growth Index <sup>1</sup>	Russell 3000 Index <sup>1</sup>
QTD <sup>4</sup>	(8.74)	(8.69)	12.19	8.18
YTD <sup>4</sup>	(11.97)	(11.81)	11.65	14.40
1 Year	(14.16)	(13.95)	13.56	17.41
3 Years	5.76	6.03	16.68	24.12
5 Years	3.49	3.75	8.41	15.74
10 Years	9.23	9.51	9.91	14.71
15 Years	10.53	10.81	11.01	14.23
Since Inception (12/31/1994)	11.67	11.82	8.10	11.02

We believe that the largest positions in the portfolio, such as **Arch Capital Group Ltd.**, **MSCI Inc.**, and **CoStar Group, Inc.**, epitomize the attributes that we search for when allocating capital in the Fund. These businesses, like all of those owned by the Fund, boast characteristics such as large and growing addressable markets, favorable secular trends, and high and growing barriers to entry. These companies have developed exemplary business models with durable revenue growth prospects, leverageable margin structures, and robust free cash flow conversion. All are run by uniquely talented management teams that have demonstrated operational excellence over time. The 24 names currently owned by the Fund possess similar attributes, creating a portfolio that is exclusively composed of very profitable growth businesses.

SMALL CAP

We believe that our practice of exclusively investing in businesses with superior characteristics has been the primary driver of the Fund's favorable long-term results, which has exceeded the performance of the Benchmark by 372bps annually since inception. However, the strategy has not worked in all periods and in all market types. The Fund has tended to outperform in what we would consider "normal" markets, or markets that appreciate less than 15%, as well as in declining markets. However, it has been more challenging for the Fund to outperform in "up" markets, which we define as markets that rise more than 15%. This is because such markets tend to be driven by relatively more volatile, and relatively riskier stocks, as measured by beta and residual volatility. These are not attributes that are well represented in our portfolio.

The current market is characterized by these same attributes. Investors have been selling higher-quality investments like those that we own to buy riskier stocks. The magnitude of this shift has been historically notable. According to data from MSCI Barra, the six months ended September 30, 2025 represent the single worst period for earnings quality since 1975, which is when data first became available. Conversely, the positive performance of beta and residual volatility for the six-month period are in the 2<sup>nd</sup> and 4<sup>th</sup> percentiles, respectively, since the Fund's inception. The few instances where beta and residual volatility have performed better occurred mostly during the dotcom and post-COVID rallies.

We also experienced declines in several stocks where the market's assessment of AI's impact differed from our own. Most notable was **Gartner, Inc.**, where shares declined significantly after the company reported its second quarter results. Contract value growth, a leading indicator of the company's future revenue, decelerated to 4.9% from 6.7% in the prior quarter. We attribute most of the slowdown to ongoing cost cutting in the U.S. public sector, which represents around 5% of revenue, as well as more challenging business conditions in industries dependent on public sector funding, such as education. We also believe companies with meaningful exposure to tariffs tightened cost controls, resulting in longer sales cycles and slightly higher attrition for Gartner.

While the market has linked Gartner's growth deceleration to concerns about the impact of AI on its business, we see no evidence that this is negatively impacting its value proposition. We believe that Gartner has a vast and growing set of proprietary data, generated by hundreds of thousands of interactions with buyers, sellers, and consumers of technology. Gartner's proprietary insight extends to corporate technological roadmaps, enabling the company to assess future trends. Gartner also delivers a tangible return on investment for its customers through its contract review program; we estimate that for every dollar spent with Gartner, a customer can save up to \$10 in lower procurement costs. In addition, we estimate that almost 95% of Gartner's research business comes from customers that want in-person interactions with an analyst or former CIO to serve as a partner to help guide decisions. We believe that AI is presently a tailwind for Gartner, as every company in the world seeks insights and assistance in understanding the risks and opportunities posed by AI.

As a result, we expect growth trends to improve next year as U.S. public sector headwinds abate and sales force productivity strengthens. We also expect the company to be aggressive in repurchasing stock to capitalize on its discounted valuation. We estimate that Gartner repurchased approximately \$800 million in July and August and added an additional \$1 billion to its outstanding share repurchase authorization in early September. Given approximately \$2 billion of cash on its balance sheet, ample debt capacity, and ongoing free cash flow generation, we believe the company could potentially repurchase nearly 20% of its market cap over the next 18 months.

The sustainably differentiated businesses that we already own have become more attractively valued as their stock prices failed to keep pace with their business growth. We have *actively elected to concentrate our exposure to these companies with the view that earnings can continue to grow at faster than expected rates for longer than expected periods of time. As a result, we believe that the portfolio generates higher margins, cash flow, and returns on capital compared to its historical composition and our Benchmark, while targeting the same attractive growth profile that we have always pursued.* Specifically, the operating margin of the portfolio has improved to 27.6%, which is 640bps above our historical average and 1,880bps above our Benchmark. We do not presently own any businesses that are unprofitable. Similarly, the free cash flow margin of the Fund has expanded to 29.6%, which is 1,290bps above our historical average and 1,940bps above the Benchmark. Finally, the return on invested capital (ROIC) of the portfolio has risen to 18.6%, which is 530bps above our historical average. The average ROIC of our Benchmark is dismal at (0.6%). We are optimistic that investors will eventually recognize the attractive opportunities that these businesses offer, leading to higher valuations and compelling returns for the Fund.

Despite recent challenges, we are optimistic about the outlook for our strategy. Since the Fund's inception, we have identified three periods that we consider to be analogous to the current market environment. Those periods include the dot-com bubble, a period from September 2002 through January 2004, and the post-COVID rally in late 2020. During all three periods, the Russell 2000 Growth Index rose sharply over a relatively brief time and our underperformance was driven in large part by style-related headwinds. *Those three periods lasted for an average of 10 months, and we underperformed by an average of 27% annualized, or 31% cumulatively. Encouragingly, during the subsequent periods of outperformance, the Fund outperformed for an average of 27 months, and outperformed by an average of 37% cumulatively.* While we don't know when our style will again be in favor, we are confident that our strategy of owning a portfolio of businesses with attractive growth rates, large addressable markets, and durable competitive advantages will continue to generate attractive returns over time.

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

## Total returns by investment type for the quarter

	Percent of Net Assets (%)	Total Return (%)	Contribution to Return (%)
<b>Disruptive Growth</b>	<b>1.7</b>	<b>18.41</b>	<b>0.21</b>
FIGS, Inc.	1.7	18.62	0.21
Farmers Business Network, Inc.	0.0	0.00	0.00
Northvolt AB	0.0	0.00	0.00
<b>Russell 2000 Growth Index</b>		<b>12.19</b>	
<b>Real/Irreplaceable Assets</b>	<b>18.2</b>	<b>(4.90)</b>	<b>(0.96)</b>
Red Rock Resorts, Inc.	2.9	17.84	0.36
Gaming and Leisure Properties, Inc.	2.8	0.78	0.03
Vail Resorts, Inc.	6.0	(4.81)	(0.25)
Choice Hotels International, Inc.	6.5	(15.55)	(1.11)
<b>Financials</b>	<b>54.3</b>	<b>(8.37)</b>	<b>(4.44)</b>
Moelis & Company	0.5	15.54	0.05
Houlihan Lokey, Inc.	1.9	14.44	0.20
The Carlyle Group Inc.	0.0	13.21	0.13
Primerica, Inc.	6.1	1.51	0.14
Arch Capital Group Ltd.	14.1	(0.16)	0.03
MSCI Inc.	13.5	(1.24)	(0.11)
Kinsale Capital Group, Inc.	7.8	(12.10)	(0.90)
Cohen & Steers, Inc.	1.9	(12.21)	(0.26)
Clearwater Analytics Holdings, Inc.	0.1	(17.83)	(0.02)
Morningstar, Inc.	4.3	(25.98)	(1.29)
FactSet Research Systems Inc.	4.1	(35.97)	(2.41)

## Total returns by investment type for the quarter (continued)

	Percent of Net Assets (%)	Total Return (%)	Contribution to Return (%)
<b>Core Growth</b>	<b>23.8</b>	<b>(12.02)</b>	<b>(3.23)</b>
Neogen Corp.	0.2	19.46	0.02
IDEXX Laboratories, Inc.	3.9	18.54	0.60
Bio-Techne Corporation	1.2	7.23	0.09
CoStar Group, Inc.	7.6	4.86	0.15
Mettler-Toledo International Inc.	0.9	4.22	0.06
Guidewire Software, Inc.	3.6	(2.54)	(0.08)
Bright Horizons Family Solutions, Inc.	0.0	(6.81)	(0.04)
Gartner, Inc.	6.4	(35.01)	(2.83)
Iridium Communications Inc.	0.0	(40.49)	(1.20)
<b>Cash</b>	<b>2.0</b>	<b>--</b>	<b>-</b>
<b>Fees</b>	<b>0.0</b>	<b>(0.29)</b>	<b>(0.29)</b>
<b>Total</b>	<b>100.0*</b>	<b>(8.71)**</b>	<b>(8.71)**</b>

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

\*\* Represents the blended return of all share classes of the Fund.

Sources: Baron Capital, FTSE Russell, and FactSet PA.

Our investments in **Real/Irreplaceable Assets**, **Core Growth**, and **Financials** represent between 18.2% and 54.3% of the Fund's net assets, and aggregate to 96.3%. Another 1.7% of net assets is invested in businesses that we consider to be **Disruptive Growth** businesses, which we believe offer greater growth potential, albeit with more risk relative to other investments. We believe this balance appropriately reflects our goal to generate superior returns over time with less risk than the Benchmark. As shown in the table above, our disruptive growth investments outperformed the Benchmark, while the other three categories underperformed due to their higher quality and lower perceived risk, which were temporarily out of favor.

## Performance Characteristics: Millennium internet bubble to present.

	Millennium Internet to Financial Panic 12/31/1999 to 12/31/2008	Financial Panic to Present 12/31/2008 to 9/30/2025	Millennium Internet Bubble to Present 12/31/1999 to 9/30/2025	Inception 12/31/1994 to 9/30/2025
Alpha (5%)	5.05	2.10	4.05	5.64
Beta	0.58	0.79	0.70	0.71

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

	Millennium Internet to Financial Panic 12/31/1999 to 12/31/2008		Financial Panic to Present 12/31/2008 to 9/30/2025		Millennium Internet Bubble to Present 12/31/1999 to 9/30/2025		Inception 12/31/1994 to 9/30/2025	
	Value of \$10,000	Annualized Return (%)	Value of \$10,000	Annualized Return (%)	Value of \$10,000	Annualized Return (%)	Value of \$10,000	Annualized Return (%)
Baron Growth Fund (Institutional Shares)	12,448	2.46	67,459	12.07	83,976	8.61	310,635	11.82
Russell 2000 Growth Index	6,476	(4.71)	71,043	12.42	46,005	6.11	109,739	8.10
Russell 3000 Index	7,634	(2.95)	98,954	14.66	75,545	8.17	249,009	11.02

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



The Fund has meaningfully outperformed its Benchmark over the long term. The Fund has gained 11.82% on an annualized basis since its inception on December 31, 1994, which exceeds that of the Benchmark by 3.72% and the Russell 3000 Index by 0.80%. This represents robust absolute and relative returns across a variety of market environments, driven primarily by favorable stock selection. We attribute this result to not losing money during periods of significant market drawdowns. While the Fund did not make much money from December 31, 1999, through December 31, 2008, a period which includes the highs of the Internet Bubble and the lows of the Financial Panic, it did generate a positive annualized return of 2.46%. Conversely, a hypothetical investment in a fund designed to track the Fund’s Benchmark would have declined in value by 4.71% on an annualized basis over the same time. Similarly, a hypothetical investment in a fund designed to track the Russell 3000 Index would have declined 2.95% annualized. (Please see **Performance in Challenging Times** table–Millennium Internet Bubble to Financial Panic). From the Financial Panic to present, the Fund generated an annualized return of 13.04%, which has exceeded that of its Benchmark by 1.79% annualized.

We believe that the power of compounding is better demonstrated by viewing these returns in dollar terms. *A hypothetical investment of \$10,000 in the Fund at its inception on December 31, 1994 would be worth \$310,635 on September 30, 2025. This is approximately 2.83 times greater than the \$109,739 the same hypothetical investment made in a fund designed to track the Benchmark would be worth, and 25% more than a hypothetical investment in the Russell 3000 Index.* Hypothetically, our returns were achieved with approximately 29% less volatility than the Benchmark, as represented by its beta. (Please see **Performance in Challenging Times** and **Performance Characteristics** tables.) Importantly, we believe that the returns in the portfolio have come primarily through the compounded growth in the revenue and cash flow of the businesses in which we have invested rather than increases in valuation multiples.

Top contributors to performance for the quarter

	Year Acquired	Market Cap When Acquired (\$B)	Quarter End Market Cap (\$B)	Total Return (%)	Contribution to Return (%)
IDEXX Laboratories, Inc.	2005	1.9	51.1	18.84	0.60
Red Rock Resorts, Inc.	2016	2.3	6.4	17.84	0.36
FIGS, Inc.	2022	1.7	1.1	18.62	0.21
Houlihan Lokey, Inc.	2017	2.8	14.4	14.45	0.20
CoStar Group, Inc.	2004	0.7	35.7	4.90	0.15

Veterinary diagnostics leader **IDEXX Laboratories, Inc.** contributed to performance after reporting better-than-expected financial results. Foot traffic to veterinary clinics in the U.S. remains under pressure, which has continued to hamper aggregate revenue growth. Even so, IDEXX’s excellent execution has enabled the

company to maintain strong performance. We believe IDEXX’s competitive trends are outstanding, and we expect new proprietary innovations and field sales force expansion to be meaningful contributors to growth this year. We see increasing evidence that long-term secular trends around pet ownership and pet care spending have structurally accelerated, which should support IDEXX’s long-term growth rate.

**Red Rock Resorts, Inc.** is a casino owner and operator focused on the Las Vegas Locals market. Shares rose during the quarter as investors reacted positively to incremental visitation from new customers and accelerating spend-per-visit trends, despite concerns about a market slowdown. The company continues to report strong visitation and robust slot and table game play, along with improving activity from uncared and non-rewards customers. Red Rock is regaining business at its flagship resort following some initial cannibalization from the opening of its Durango property, with management expecting a full recovery next year and trends already improving faster than anticipated. The new property is generating robust returns, and performance across the company’s six core casinos has strengthened as the Las Vegas Locals market absorbs Durango and returns to its historical low-single-digit growth rate. Given the strength of the market, management continues to ramp up capital investment, which we believe should support ongoing revenue and EBITDA growth over the next several years.

**FIGS, Inc.** designs and sells scrubwear for health care professionals using a digitally native, direct-to-consumer strategy. Shares rose after the company reported better-than-expected quarterly results and raised its revenue and profitability guidance for the remainder of the year. Despite intentionally reducing promotional activity, FIGS achieved nearly 6% revenue growth during the second quarter and delivered stronger-than-expected margin improvement driven by efficiency gains at its new fulfillment center. After several years of industry pressure, the company is experiencing more normalized purchasing and replenishment patterns, supported by product and marketing initiatives that continue to resonate with customers. Looking ahead, we retain conviction in FIGS’ ability to gain share given its high-quality, needs-based products and exposure to the fast-growing U.S. health care industry. We expect continued growth fueled by the company’s efforts to expand its retail footprint, increase business-to-business revenue, and grow internationally.

Top detractors from performance for the quarter

	Year Acquired	Market Cap When Acquired (\$B)	Quarter End Market Cap (\$B)	Total Return (%)	Contribution to Return (%)
Gartner, Inc.	2007	2.3	19.9	(34.99)	(2.83)
FactSet Research Systems Inc.	2006	2.5	10.8	(35.86)	(2.41)
Morningstar, Inc.	2005	0.8	9.8	(25.98)	(1.29)
Iridium Communications Inc.	2014	0.6	1.9	(40.48)	(1.20)
Choice Hotels International, Inc.	1996	0.4	4.9	(15.55)	(1.11)



**Gartner, Inc.**, a provider of syndicated research, detracted from performance following disappointing quarterly earnings. Contract value growth, a leading indicator of future revenue, decelerated by approximately 2%. We attribute most of the slowdown to ongoing cost cutting in the U.S. public sector, which represents about 5% of revenue, as well as more challenging business conditions in industries dependent on public-sector funding. In addition, companies with meaningful exposure to tariffs appear to be reducing costs, resulting in longer sales cycles and slightly higher client attrition. While the market expressed concern about the impact of AI on Gartner's insights business, we see no evidence that this is negatively impacting its value proposition. The company continues to benefit from a vast and expanding set of proprietary data generated through hundreds of thousands of interactions with buyers, sellers, and technology consumers. Gartner bought back approximately \$800 million worth of stock in July and August and authorized an additional \$1 billion in September, and we expect the company to continue repurchasing shares aggressively to capitalize on the discounted valuation.

**FactSet Research Systems Inc.** is a leading provider of investment management tools. Shares fell during the quarter due to a combination of industry-wide concerns about AI, uncertainty surrounding the ongoing CEO transition (which prompted a more conservative preliminary fiscal 2026 outlook), and cautious commentary from several financial data and software peers. The company nevertheless reported solid fiscal fourth-quarter 2025 earnings results, its best quarter ever for new sales, and discussed at length how AI is benefiting the business. We retain long-term conviction in FactSet given its large addressable market, strong execution across both new product development and financial results, and robust free cash flow generation.

**Morningstar, Inc.** is a leading data provider to the investment community. Despite solid second-quarter results, shares declined on slowing organic growth in PitchBook, the company's private markets data and research platform. The broader financial information services sector also underperformed during the quarter, partly due to factor rotation as investors shifted from high-quality, defensive names to higher-growth stocks. Additionally, investor concerns have emerged that AI and large language models could disrupt the industry. However, we believe Morningstar's long track record of managed investment data, along with proprietary insights from PitchBook, will remain highly valuable to clients, regardless of how that data is accessed. We expect PitchBook's growth to reaccelerate over time, particularly as capital markets activity improves. We remain investors in the stock.

## Portfolio Structure and Investment Strategy

We seek to invest in businesses with attractive fundamental characteristics and long-term growth prospects. These attributes include high barriers to entry, sustainable competitive advantages, large and growing addressable markets, and durable secular tailwinds. We invest in business models that have recurring or predictable revenue, generate attractive incremental margins, are cash generative, and are not dependent on third-party financing. We invest with management teams that seek to consistently

reinvest into their businesses to raise barriers to entry and pursue long-term profitable growth. We work with our growing team of analysts to conduct iterative and holistic due diligence by interacting with representatives of all company stakeholders. In addition to visiting regularly with a company's management team, we join our analysts in speaking with a company's existing and potential customers, key suppliers, and large competitors. We use such findings to refine our understanding of a business and its industry, assess its growth trajectory, test the durability of its competitive advantages, and ultimately reinforce or refute our investment thesis. We do this in an iterative manner and ultimately spend as much time researching long-held positions as we do when researching new potential investments.

We hold investments for the long term. As of September 30, 2025, our weighted average holding period was 18.7 years. This strategy is dramatically longer than most other small-cap growth funds, which, according to Morningstar, turn over about 67% of their portfolios annually based on an average for the last three years. The Fund's portfolio is designed to significantly outperform over the long term. Accordingly, it is much different than other funds that align more closely to index compositions. The portfolio's 10 largest positions have a weighted average holding period of 20.1 years, ranging from an 8.8-year investment in **Kinsale Capital Group, Inc.** to investments in **Choice Hotels International, Inc.** and **Vail Resorts, Inc.** that are approaching 29 years. We have held 17 investments, representing 83.6% of the Fund's net assets, for more than 10 years. We have held 7 investments, representing 14.4% of the Fund's net assets, for fewer than 10 years. We believe that Table VII and Table VIII quantify the merits of our long-term holding philosophy.

### Top performing stocks owned more than 10 years

	Year Acquired	Cumulative Return Since Date Acquired (%)	Annualized Return Since Date Acquired (%)
IDEXX Laboratories, Inc.	2005	4,339.0	20.2
Arch Capital Group Ltd.	2002	3,237.2	16.1
Choice Hotels International, Inc.	1996	2,978.7	12.6
MSCI Inc.	2007	2,467.5	19.9
CoStar Group, Inc.	2004	2,007.1	15.7
Mettler-Toledo International Inc.	2008	1,601.7	18.4
Primerica, Inc.	2010	1,578.6	20.0
Morningstar, Inc.	2005	1,195.8	13.4
Cohen & Steers, Inc.	2004	1,183.0	12.8
Gartner, Inc.	2007	1,087.3	14.6

The cohort of investments that we have held for more than 10 years earned a weighted average annualized rate of return of 15.5% since we first purchased them. This exceeded the performance of the Fund's Benchmark by 6.7% annualized. Two of these investments have achieved annualized returns that exceeded the Benchmark by more than 10% per year.

SMALL CAP

Top performing stocks owned less than 10 years

	Year Acquired	Cumulative Return Since Date Acquired (%)	Annualized Return Since Date Acquired (%)
Kinsale Capital Group, Inc.	2016	1,506.7	37.0
Houlihan Lokey, Inc.	2017	484.9	24.9
Red Rock Resorts, Inc.	2016	327.9	16.7

The cohort of investments that we have held for fewer than 10 years has returned 25.2% annually on a weighted average basis since our initial purchase, exceeding the Benchmark by 15.4% annualized. Two of these investments have achieved annualized returns that exceeded the Benchmark by more than 15% per year.

Portfolio Holdings

As of September 30, 2025, we owned 24 investments. The top 10 holdings represented 76.4% of the Fund’s net assets, all of which have been held for a minimum of eight years. All were small-cap businesses at the time of purchase and have become top 10 positions through stock appreciation. Our holdings in these stocks have returned 17.7% annually based on weighted average assets since our initial investment, exceeding the Benchmark by an average of 9.0% annually. We attribute much of this relative outperformance to the superior growth rates and quality exhibited by these businesses relative to the Benchmark average. We believe all our positions offer significant further appreciation potential individually, and that the Fund’s diversification offers potentially better-than-market returns with less risk than the market as measured by beta. Note that diversification cannot guarantee a profit or protect against loss.

Top 10 holdings

	Year Acquired	Market Cap When Acquired (\$B)	Quarter End Market Cap (\$B)	Quarter End Investment Value (\$M)	Percent of Net Assets (%)
Arch Capital Group Ltd.	2002	0.4	33.9	697.7	14.1
MSCI Inc.	2007	1.8	43.9	669.5	13.5
Kinsale Capital Group, Inc.	2016	0.6	9.9	387.0	7.8
CoStar Group, Inc.	2004	0.7	35.7	376.7	7.6
Choice Hotels International, Inc.	1996	0.4	4.9	320.7	6.5
Gartner, Inc.	2007	2.3	19.9	315.4	6.4
Primerica, Inc.	2010	1.0	9.0	302.6	6.1
Vail Resorts, Inc.	1997	0.2	5.4	299.1	6.0
Morningstar, Inc.	2005	0.8	9.8	213.4	4.3
FactSet Research Systems Inc.	2006	2.5	10.8	200.5	4.1

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

Sincerely,

  
Ronald Baron  
CEO  
Portfolio Manager

  
Neal Rosenberg  
Portfolio Manager

- <sup>1</sup> The **Russell 2000® Growth Index** measures the performance of small-sized U.S. companies that are classified as growth. The **Russell 3000® Index** measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market, as of the most recent reconstitution. All rights in the FTSE Russell Index (the “Index”) vest in the relevant LSE Group company which owns the Index. Russell® is a trademark of the relevant LSE Group company and is used by any other LSE Group company under license. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. The Fund includes reinvestment of dividends, net of withholding taxes, while the Russell 2000® Growth and Russell 3000® Indexes include reinvestment of dividends before taxes. Reinvestment of dividends positively impacts the performance results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly in an index.
- <sup>2</sup> The performance data in the table does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares.
- <sup>3</sup> 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.
- <sup>4</sup> Not annualized.

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

**Risks:** Specific risks associated with investing in smaller companies include that the securities may be thinly traded and more difficult to sell during market downturns. Even though the Fund is diversified, it may establish significant positions where the Adviser has the greatest conviction. This could increase volatility of the Fund’s returns.

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

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

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

The portfolio manager defines “**Quality**” as well-managed, competitively advantaged, faster growing companies with higher margins and returns on invested capital and lower leverage that are leaders in their respective markets. Note that this statement represents the manager’s opinion and is not based on a third-party ranking. **Beta** measures a fund’s sensitivity to market movements. The beta of the market (Russell 2000 Growth Index) is 1.00 by definition. **Free Cash Flow (FCF)** represents the cash that a company generates after accounting for cash outflows to support operations and maintain its capital assets. **Free Cash Flow (FCF) Margin** is a measure of profitability for a business. FCF Margin takes the free cash flow that a business generates and compares it against the revenue they earned during the same period. **Operating Margin** is a company’s profit for every dollar of sales after deducting production costs like wages and raw materials but before accounting for interest and taxes. The **Residual Volatility** factor captures the volatility of the stock specific return component of a security. The stock specific return component tries to describe the idiosyncratic behavior of a company’s stock price movements that is not attributable to other factors in the Barra risk model. Positive exposure to this factor indicates high stock specific volatility, while negative exposure indicates low stock specific volatility. **Return(s) on invested capital (ROIC)** is a calculation used to determine how well a company allocates its capital to profitable projects or investments.

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

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QUARTERLY LETTER | SEPTEMBER 30, 2025

# Baron Small Cap Fund®

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

## Dear Baron Small Cap Fund Shareholder,

### Performance

Baron Small Cap Fund (the Fund) was up 0.54% (Institutional Shares) in the third quarter. Year to date, the Fund is up 0.91%. The Fund trailed the Russell 2000 Growth Index (the Index) this quarter by 11.65%, as the Index was up 12.19%. The Fund now trails the Index by 10.74% this year, with most of the underperformance occurring in August and September.

The market remained strong in the third quarter, with the S&P 500 and NASDAQ Composite Indexes reaching new highs and the Dow Jones Industrial Average ending the quarter at all-time record levels. The market was powered by continued excitement around AI, solid corporate earnings reports, a lessening in trade tensions, and the prospect of lower interest rates. The Federal Reserve (the Fed) cut its key interest rate by 25 basis points in September, after being on hold since 2024, and gave the impression that this could be the beginning of a protracted easing cycle. Fear about inflationary pressures from tariffs waned, and softer employment reports spurred efforts to stimulate economic growth.

After lagging the larger-cap benchmarks by a wide margin all year, the Russell 2000 Growth Index was one of the best performers this quarter, which should have offered a favorable backdrop for our Fund. However, the small-cap rally was extremely unusual. It was a “junk” rally, led by “hopes and prayers” meme stocks and speculative thematic plays in the areas of quantum computing, small modular reactors, and eVTOL (electric vertical take-off and landing). Stocks with high measures of momentum, idiosyncratic volatility, and beta had outsized gains. Microcaps were the best performers. Better returns came from companies with negative or zero earnings. The higher-quality small-cap companies with strong earnings quality, to which we are overexposed, had their worst three months of relative performance on record!

*Performance listed in the above table is net of annual operating expenses. Annual expense ratio for the Retail Shares and Institutional Shares as of January 28, 2025 was 1.30% and 1.05%, respectively. The performance data quoted represents past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original cost. The Fund's transfer agency expenses may be reduced by expense offsets from an unaffiliated transfer agent, without which performance would have been lower. Current performance may be lower or higher than the performance data quoted. For performance information current to the most recent month end, visit [BaronCapitalGroup.com](https://BaronCapitalGroup.com) or call 1-800-99-BARON.*



Cliff Greenberg  
Portfolio Manager

### Annualized performance (%) for period ended September 30, 2025<sup>†</sup>

	Fund Retail Shares <sup>1,2</sup>	Fund Institutional Shares <sup>1,2,3</sup>	Russell 2000 Growth Index <sup>1</sup>	Russell 3000 Index <sup>1</sup>
QTD <sup>4</sup>	0.46	0.54	12.19	8.18
YTD <sup>4</sup>	0.73	0.91	11.65	14.40
1 Year	(0.35)	(0.09)	13.56	17.41
3 Years	14.68	14.98	16.68	24.12
5 Years	6.21	6.49	8.41	15.74
10 Years	11.32	11.62	9.91	14.71
15 Years	11.22	11.51	11.01	14.23
Since Inception (9/30/1997)	9.88	10.05	6.68	9.15

We aim to avoid the “junk” and invest in leading established businesses with strong earnings prospects and recurring cash flows. We steer clear of untested and speculative concept stocks. We favor companies that are presently profitable, and we foresee years of compounding growth ahead. This has always been our approach and has served us well. Only two periods in the life of the Fund (in the dot-com and the COVID eras) have we experienced such a headwind. And in those instances, the bias against quality was short lived.

Though the majority of the relative underperformance of the Fund had to do with the strange nature of the small-cap rally, our stocks had mixed performance. We had some big gains, led by strong results from companies in certain sectors that were in vogue during the quarter, which offset some losses where companies reported weaker results or suffered multiple contraction.

From a sector perspective, our Industrials holdings, comprising 32% of net assets on average, were our best absolute performers, led by aerospace & defense names **Kratos Defense & Security Solutions, Inc.** and **Karman Holdings Inc.** **Vertiv Holdings Co** continued to perform well as the outlook for massive expansion of data center capacity became more evident. We also benefited as two of our companies got take-out offers, **Chart Industries, Inc.** and **Dayforce, Inc.**, at nice premiums.

Poor stock performance in Information Technology (IT) was responsible for 50% of the relative losses in the period, driven by **Gartner, Inc.** (see “Top Detractors”). Growth has slowed at **PAR Technology Corporation**, which provides cloud-based software to the restaurant industry, as their customers struggle with a weak consumer backdrop, which has slowed their spending on modernization efforts. We believe this is temporary, and PAR has positioned itself as the industry leader with the potential to land big new accounts. Other software holdings continued to struggle because of market concerns about competition from AI. Weakness in Financials came largely from insurance broker **The Baldwin Insurance Group, Inc.** and specialty insurer **Kinsale Capital Group, Inc.** (see “Top Detractors”), as their growth rates decelerated from higher than typical levels.

Our stocks in the Health Care and Consumer Discretionary sectors were up in the quarter, albeit less than the Index, led by **RadNet, Inc.**, which rose after reporting strong same-store growth in its outpatient diagnostic imaging centers, and **ICON plc** as biotechnology/pharmaceutical customer spend is turning up. **Installed Building Products, Inc.** (IBP) rose on a stellar second quarter earnings report, as did **Red Rock Resorts, Inc.** (see “Top Contributors”). But many of our consumer holdings fell over concern about possible weaker consumer spending in the offing.

Top contributors to performance for the quarter

	Contribution to Return (%)
Kratos Defense & Security Solutions, Inc.	1.98
Vertiv Holdings Co	1.00
Red Rock Resorts, Inc.	0.73
Cognex Corporation	0.66
Installed Building Products, Inc.	0.62

Leading defense technology provider **Kratos Defense & Security Solutions, Inc.** contributed to performance following a strong earnings report and continued momentum across its business segments. Years of investment are beginning to pay off, with the company winning new contracts across multiple divisions. The current defense spending cycle appears to be in a generational upswing amid heightened global conflicts, and Kratos’ innovative low cost solutions position it well to support the U.S. Armed Forces. The current administration’s openness to smaller, agile defense contractors further strengthens Kratos’ opportunity to secure larger awards, supporting our continued conviction in the company.

**Vertiv Holdings Co**, a leading provider of critical digital infrastructure solutions for data centers, reported strong earnings and raised guidance, supported by robust momentum in the data center end market, particularly as increased AI-related activity drives elevated demand. We continue to hold Vertiv as we believe the company is well positioned to benefit from the ongoing buildout of AI data centers, especially through the adoption of liquid cooling technologies, which are increasingly necessary as data center energy intensity continues to rise.

**Red Rock Resorts, Inc.** is a casino owner and operator focused on the Las Vegas Locals market. Shares rose during the quarter as investors reacted positively to incremental visitation from new customers and accelerating spend-per-visit trends, despite concerns about a market slowdown. Red Rock is regaining business at its flagship resort following some initial cannibalization from the opening of its Durango property, with management expecting a full recovery next year and trends already improving faster than anticipated. The new property is generating robust returns, and performance across the company’s six core casinos has strengthened, as the Las Vegas Locals market absorbs Durango and returns to its historical low single-digit growth rate. Given the strength of the market, management continues to ramp up capital investment and has a decade of strong new bold projects on the docket which we believe should drive a doubling of EBITDA overtime.

Other holdings that rose over 30% in the quarter but added less to the overall returns were **Cognex Corporation**, **IBP**, **Karman**, **RadNet**, and **Holley Inc.**

Top detractors from performance for the quarter

	Contribution to Return (%)
Gartner, Inc.	(1.55)
The Baldwin Insurance Group, Inc.	(1.13)
Kinsale Capital Group, Inc.	(0.64)
PAR Technology Corporation	(0.57)
Intapp, Inc.	(0.47)

**Gartner, Inc.**, a provider of syndicated research, detracted from performance following disappointing quarterly earnings. Contract value growth, a leading indicator of future revenue, decelerated by approximately 2%. We attribute most of the slowdown to ongoing cost cutting in the U.S. public sector, which represents about 5% of revenue, as well as more challenging business conditions in industries dependent on public sector funding. In addition, companies with meaningful exposure to tariffs appear to be reducing costs, resulting in longer sales cycles and slightly higher client attrition. While the market expressed concern about the impact of AI on Gartner’s insights business, we see no evidence that this is negatively impacting its value proposition. The company continues to benefit from a vast and expanding set of proprietary data generated through hundreds of thousands of interactions with buyers, sellers, and technology consumers. Gartner bought



back approximately \$800 million worth of stock in July and August and authorized an additional \$1 billion in September, and we expect the company to continue repurchasing shares aggressively to capitalize on the discounted valuation.

Shares of insurance broker **The Baldwin Insurance Group, Inc.** fell after the company trimmed full-year guidance to reflect softer pricing for property insurance and slower business from construction customers. This mirrors the broader pullback in insurance stocks during the quarter amid expectations for a cyclical slowdown in industry pricing and premium growth. Management reaffirmed its goal of reaching \$3 billion in revenue and 30% EBITDA margins within five years, implying that earnings could nearly triple. We remain shareholders and expect the company to continue gaining market share while expanding margins and reducing leverage over the next several years.

Shares of specialty insurer **Kinsale Capital Group, Inc.** fell during the quarter amid concerns about moderating growth and a cyclical slowdown in the broader insurance industry. Nevertheless, Kinsale reported quarterly earnings that exceeded Street expectations, with 14% premium growth outside of large property policies, which face the most competition. Recent data from several state insurance commissioners also point to faster premium growth for the company in the third quarter. We continue to own the stock because we believe Kinsale is well managed, a differentiated industry leader, and has a long runway for growth in an attractive segment of the insurance market.

Other stocks, besides those listed above, that declined over 30% this quarter were PAR, **The Trade Desk**, **Grid Dynamics Holdings, Inc.**, **Inspire Medical Systems, Inc.**, and **Accelerant Holdings**.

## Portfolio Structure and Recent Activity

As of September 30, 2025, the Fund has \$3.8 billions under management and owned 58 stocks. The top 10 holdings make up 39.1% of the Fund's net assets. The portfolio turnover was 11.2%<sup>5</sup> as measured over a three-year average.

### Top 10 holdings

	Year Acquired	Quarter End Investment Value (\$M)	Percent of Net Assets (%)
Vertiv Holdings Co	2019	264.0	7.0
Red Rock Resorts, Inc.	2016	183.2	4.9
Kinsale Capital Group, Inc.	2019	180.7	4.8
Guidewire Software, Inc.	2012	172.4	4.6
Planet Fitness, Inc.	2018	119.4	3.2
ICON plc	2013	113.8	3.0
SiteOne Landscape Supply, Inc.	2016	112.7	3.0
Gartner, Inc.	2007	111.7	3.0
Kratos Defense & Security Solutions, Inc.	2020	109.6	2.9
Houlihan Lokey, Inc.	2018	102.7	2.7

The Fund remains primarily invested in five sectors- Industrials, IT, Consumer Discretionary, Financials, and Health Care. These are the sectors where we have deep research expertise and a track record of investment prowess. And these are the sectors where we can identify and own the companies that meet our investment criteria of special businesses, with significant competitive advantage and long potential runways of growth, that are managed by superior teams that often founded the companies or have significant skin in the game.

The makeup of the Fund varies greatly from the Index, as has always been the case. We are aware of the variances and how that might affect near-term relative performance, but we have built the Fund stock by stock/bottom up to reflect our highest long-term convictions and appropriate portfolio construction. Compared to the Index, we are presently well overweight in Industrials (31.3% of net assets) and Consumer Discretionary (16.3%), somewhat overweight in Financials (11.7%), modestly underweight in IT (20.6%), and well underweight in Health Care (10.4%). We have no exposure to Energy or Utilities, and only modest exposure to Materials, as these are sectors that we find cyclical and most often commodity like in characteristics. This quarter, these sectors performed very well, and our limited exposure hurt relative performance.

This quarter, we saw the return of the new issue market, which has been moribund for years. We like this development as through the Fund's history....and again now...initial public offerings (IPOs) are a great funnel for us to meet new companies, and we often find interesting new businesses and management teams in which to invest. Over the last half a year, we have had many "testing the waters" meetings with companies considering public offerings, and now many are coming out.

We acknowledge that many businesses are staying private longer these days, which does reduce the number of small-cap IPOs. But even so, we are seeing many exciting small companies and there are real opportunities. Often the best ones come public first. We have been active, initiating new positions in two IPOs during the quarter with more in the works.

As we have explained over the years, we hold onto our winners for years if we believe these stocks can continue to meet our growth expectations. The success of many of these holdings has skewed the market capitalization of the Fund. At Baron, we are now using Redemption In-Kind programs, which enable us to reduce the position size of our larger-cap holdings when we determine it's appropriate. This is enabling us to reduce the overall market capitalization of the Fund, greatly reducing our "size score" in Morningstar vernacular, and creating additional capital to invest in our new ideas. During the quarter, we bought or increased positions in stocks with a weighted average market cap of \$4.0 billion, and sold or trimmed stocks with a weighted average market cap of \$20.2 billion.

## Top net purchases for the quarter

	Year Acquired	Quarter End Market Cap (\$B)	Net Amount Purchased (\$M)
Legence Corp.	2025	3.2	35.0
Novanta Inc.	2025	3.6	33.9
Accelerant Holdings	2025	3.3	26.4
Integer Holdings Corporation	2025	3.6	25.6
PAR Technology Corporation	2025	1.6	17.9

We added five new names to the portfolio this quarter. We are excited to have new companies come to market, and are also finding other opportunities, taking advantage of volatile trading patterns to invest in companies we have long researched at favorable prices.

We initiated a position in **Legence Corp.** when the company went public in September. Legence is a leading provider of engineering, installation, and maintenance services for mission-critical systems in buildings. Legence has more than 60% of the companies in the Nasdaq-100 Index as clients, mostly in high-growth sectors that necessitate technically demanding buildings (i.e., no retail or multi-family). We think Legence is positioned to grow rapidly as data centers, manufacturers, pharmaceutical companies, hospitals, schools, and universities make investments in new and existing facilities to support growing demand and make them more energy efficient and sustainable.

Legence's service offering focuses on complex systems including HVAC, process piping, and other mechanical, electrical, and plumbing (MEP) for new and existing facilities. The company is comprised of a highly specialized workforce, including 1,200 MEP engineers and energy consultants and approximately 3,400 HVAC and plumbing service technicians, fitters, electricians, and sheet metal workers. Legence combines both design and build services on a national scale, while the competition typically offers either engineering or installation and only on a regional basis. Legence has lengthy relationships with its top 10 clients, exceeding 26 years on average, evidence of the value the company provides.

Legence has a very strong business model with more than half of revenues coming from "high growth industries," which includes customers in the data center & technology and life sciences & health care end markets. The business is also primarily comprised of small projects (less than \$10 million), which reduces risk. Additionally, no customer represents more than 4% of total revenues, a lower level than many of its peers whose top customers comprise 10% or more of their revenues. We also like that the mix of revenues skews towards retrofits, upgrades, and maintenance for existing buildings (around 68% of 2024 revenues).

We believe that spending in these end markets and key verticals, especially data centers, has the potential to grow in the double-digit range moving forward, which can help Legence maintain its strong organic growth profile (16%-plus CAGR over the last three years). We feel Legence can augment its growth through M&A, as they further consolidate this geographically fragmented industry.

This quarter, the Fund initiated a position in **Novanta Inc.**, a supplier of proprietary technology solutions and subsystems to medical and advanced industrial original equipment manufacturers. Novanta combines deep proprietary expertise (about 750 patents) and competencies in precision medicine, precision manufacturing, robotics and automation, and advanced surgery to solve complex technical challenges.

Novanta's key products include lasers, beam steering devices, high-precision motors, drives, and controls, robotic sensors and end-of-arm tooling, medical insufflators and endoscopic pumps, and vision and radio frequency identification solutions sold in a variety of applications. Products are generally solely sourced during long design cycles in which Novanta acts as an extension of its customers' R&D function, with very sticky revenue from designed-in positions spanning multiple years.

Since 2012, Novanta has grown its revenues at a 12% CAGR and its EBITDA at 14%. Yet, lackluster organic growth recently driven by supply chain and tariff uncertainty and post-COVID demand fluctuations in key end markets has pressured the stock, presenting us the opportunity to invest at what we believe is a cheap multiple for a high-quality, technology-oriented industrial company on the cusp of reaccelerating growth via new products in the medical and robotics space. Additionally, with a strong balance sheet and active pipeline for M&A, we believe the company can double its \$1 billion in revenue over the coming five years, with earnings growing faster driven by a continuous improvement culture driving 1% gross margin expansion annually, operating leverage over time, and strong free cash flow conversion.

## Top net sales for the quarter

	Year Acquired	Market Cap When Acquired (\$B)	Quarter End Market Cap or Market Cap When Sold (\$B)	Net Amount Sold (\$M)
Chart Industries, Inc.	2022	6.1	8.9	123.7
Kratos Defense & Security Solutions, Inc.	2020	1.5	15.4	82.2
Dayforce, Inc.	2018	4.2	10.8	65.0
Vertiv Holdings Co	2019	1.0	57.6	63.6
Guidewire Software, Inc.	2012	1.4	19.4	27.4

Two of our holdings, **Chart Industries, Inc.** and **Dayforce, Inc.**, announced this quarter they are being acquired for cash. After the stocks popped on the news, we sold out to recycle the proceeds into new ideas. We started buying shares of Chart in 2022 at a \$6.1 billion market cap, and it was sold at a market cap of \$8.9 billion. We initiated a position in Dayforce on its 2018 IPO at \$22 (\$4.2 billion market cap) compared with the \$70 takeout price.

We trimmed our holdings in **Kratos Defense & Security Solutions, Inc.**, **Vertiv Holdings Co**, **Guidewire Software, Inc.**, **The Cheesecake Factory Incorporated**, and **Liberty Media Corporation – Liberty Formula One** at prices we believed were favorable to right size the positions.

## Outlook

As we enter the fourth quarter, the economy is still on firm footing, though maybe softening a bit. GDP growth was a strong 3.8% in the second quarter of 2025, aided by significant investment in AI infrastructure. Inflation hasn't been licked but appears to be under control. The jobs market is softer as hiring has been more muted because of the uncertain effect of AI on workforce composition and changing immigration policy. However, the unemployment rate is still very low at 4.3%. We expect corporate earnings to remain solid. And we believe that interest rates will decline and improve the growth outlook.

The last quarter was somewhat frustrating, in that the market rallied, but the Fund generally failed to participate. It's been an odd year in the market, with the strongest gains in large-cap technology, with AI as the dominant theme, along with gold and crypto. And when small-cap stocks started to rally, it was a strange brew of lower quality/highly speculative names that have done the best. We would expect the market to broaden, as is usually the case. We suspect that favoring risk and momentum will give way to recognizing the value of quality growth, our sweet spot.

There is concern about the valuation of the market. We concur that many of the leading stocks now trade at extended levels, and speculative story stocks trade on frothy expectations. However, we believe that our holdings are for the most part now cheap. They are cheap either because of concern about the trajectory of near-term earnings growth or the negative effect that AI could have on longer-term prospects. These are uncertain times and there are a lot of crosscurrents. We have strong beliefs based on our deep fundamental research into these considerations and expertise developed over decades, and we believe that as things play out, our convictions will be rewarded.

Thank you for investing in the Fund. We believe we own a portfolio of high quality, well managed, growth businesses that will compound earnings at strong rates, and their stocks will perform well as they do. As always, we will stick to our knitting as long-term investors based on our proprietary research and viewpoints even when our approach is somewhat out of sync with current market trends.

Sincerely,



Cliff Greenberg  
Portfolio Manager

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

<sup>1</sup> The **Russell 2000® Growth Index** measures the performance of small-sized U.S. companies that are classified as growth. The **Russell 3000® Index** measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market, as of the most recent reconstitution. All rights in the FTSE Russell Index (the "Index") vest in the relevant LSE Group company which owns the Index. Russell® is a trademark of the relevant LSE Group company and is used by any other LSE Group company under license. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. The Fund includes reinvestment of dividends, net of withholding taxes, while the Russell 2000® Growth and Russell 3000® Indexes include reinvestment of dividends before taxes. Reinvestment of dividends positively impacts the performance results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly in an index.

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

<sup>3</sup> 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.

<sup>4</sup> Not annualized.

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

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

**Risks:** Specific risks associated with investing in smaller companies include that the securities may be thinly traded and more difficult to sell during market downturns. Even though the Fund is diversified, it may establish significant positions where the Adviser has the greatest conviction. This could increase volatility of the Fund's returns.

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

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

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

**Beta** explains common variation in stock returns due to different stock sensitivities to market or systematic risk that cannot be explained by the U.S. Country factor. Positive exposure indicates high beta stock. Negative exposure indicates low beta stock.

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



QUARTERLY LETTER | SEPTEMBER 30, 2025

## Baron Focused Growth Fund®

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

### Dear Baron Focused Growth Fund Shareholder,

#### Performance

Baron Focused Growth Fund (the Fund) delivered strong results in the third quarter, with a gain of 4.83% (Institutional Shares) continuing the solid year-to-date returns. However, this performance underperformed our benchmark, the Russell 2500 Growth Index (the Benchmark), which increased 10.73%. Underperformance reflected concerns about a moderation of economic growth across our more economically sensitive Consumer Discretionary stocks including **Choice Hotels International, Inc.**, **Hyatt Hotels Corporation**, and **Vail Resorts, Inc.** In addition, increased competitive concerns from investors hurt the valuations on a few of our investments, such as **On Holding AG**, **FactSet Research Systems Inc.**, and **Iridium Communications Inc.** in the quarter.

However, despite the recent quarterly underperformance, our portfolio companies continue to do quite well. They are generating strong revenue growth and increasing investments to accelerate growth further while still maintaining strong balance sheets. This gives our companies opportunities either to invest for growth, make strategic acquisitions should something come available, or return capital to shareholders through share buybacks should there be dislocations in stock prices.

In addition, despite the stock market currently hovering at peak levels, we as fund managers are having no issues putting new cash to work and are adding to both existing and new names as we believe valuations remain compelling. The uplift in the market has been led by niche AI-related large-cap companies and has not been broad based. We see it in the multiples of our small- and mid-cap stock selections, which are currently trading at discounts to their large-cap peers despite having faster growth. We believe

*Performance listed in the above table is net of annual operating expenses. Annual expense ratio for the Retail Shares and Institutional Shares as of April 30, 2025, was 1.31% and 1.05%, respectively. The performance data quoted represents past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original cost. The Adviser may waive or reimburse certain Fund expenses pursuant to a contract expiring on August 29, 2036, 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](http://BaronCapitalGroup.com) or call 1-800-99-BARON.*



David Baron  
Co-President  
Portfolio Manager

Ron Baron  
CEO  
Portfolio Manager

#### Annualized performance (%) for period ended September 30, 2025<sup>†</sup>

	Fund Retail Shares <sup>1,2,3</sup>	Fund Institutional Shares <sup>1,2,3,4</sup>	Russell 2500 Growth Index <sup>1</sup>	Russell 3000 Index <sup>1</sup>
QTD <sup>5</sup>	4.76	4.83	10.73	8.18
YTD <sup>5</sup>	8.62	8.84	9.95	14.40
1 Year	24.28	24.61	12.62	17.41
3 Year	19.59	19.91	15.97	24.12
5 Year	15.09	15.40	7.76	15.74
10 Year	19.99	20.30	10.93	14.71
15 Year	16.43	16.74	11.92	14.23
Since Conversion (6/30/2008)	13.84	14.12	10.28	11.92
Since Inception (5/31/1996)	13.68	13.84	8.37	10.03

this discount should narrow over time as investors start to see accelerated growth from these companies next year due to recent investments made. Further, we believe there is still a ton of capital on the sidelines waiting to be invested, including from private equity firms who continue to raise new funds. We believe as rates continue to move lower over the next year, public to private transactions and strategic acquisitions should increase, which should further support valuations and our investments.

While we are disappointed with the third quarter underperformance, the Fund still has continued to outperform its Benchmark over the prior 3-, 5-, and 10- year periods, generating significant excess returns with much less than market risk. Over the past 3-, 5-, and 10- year periods, the Fund has generated 394, 764, and 937 bps of

SMALL-MID CAP



outperformance, respectively, with market risk that is 77%, 96%, and 96%, respectively, as volatile as the market.

These strong risk-adjusted returns are a testament to our portfolio construction technique where we aim to balance the portfolio by not only investing in shoot-out-the-lights, disruptive companies that can take share of large market opportunities such as a **Tesla, Inc.** or **Shopify Inc.**, but also balance that with steadier growing companies that are more mature in their lifecycle such as **IDEXX Laboratories, Inc.** or **Birkenstock Holding plc.** These companies are still growing revenues at double-digit rates or more and can generate strong returns through growth plus income whether that be dividends or share repurchases.

We further balanced the Fund with more recurring revenue, subscription businesses whose products are embedded in their customers' workflows such as **MSCI Inc.**, **Verisk Analytics, Inc.**, and **CoStar Group, Inc.** These businesses generate predictable growth with strong balance sheets to fund tuck-in acquisitions and further accelerate growth. Lastly, we invest in real asset companies whose stocks trade at discounts to where they would sell to a strategic competitor or private equity but can still generate at least double-digit total shareholder annual returns such as **Vail**, **Airbnb, Inc.**, or **Choice**.

We continue to believe these businesses have strong competitive advantages with underpenetrated growth opportunities ahead of them and robust balance sheets to finance their growth. We believe valuations are attractive at current levels and continue to see an acceleration in insider buying activity such as just this past quarter in **Tesla**, **Vail**, **Jefferies Financial Group Inc.**, and **FactSet**, a key pillar that gives us increased confidence in our investment theses for these companies and expected stock returns over time.

We believe this combination of accelerating growth, strong balance sheets, and attractive valuations offer multiple avenues for potential returns. As a result, we continue to view the portfolio as compelling, with a favorable risk/reward profile over the long term.

We believe these strong returns with downside protection are due to our research-based investment process. Our research enables us to identify and understand businesses' competitive advantages, differentiation, long-term growth prospects, and exceptional people; and it allows us to invest in these businesses for the long term at what we believe are attractive valuations relative to what these businesses can become. As a result, as shown in the table below, the Fund has outperformed its Benchmark for all relevant periods including since its inception on May 31, 1996. **Since its inception as a private partnership over 29 years ago, the Fund has increased 13.84% on an annualized basis. This compares to an 8.37% annualized return for the Benchmark and a 10.03% annualized return for the Russell 3000 Index that measures the performance of the largest 3,000 U.S. companies.**

The Fund's underperformance in the third quarter was primarily due to companies that could be hurt the most by the introduction of AI into the economy including our subscription-based software investments such as **FactSet** and **Verisk** and those businesses

that could be impacted by additional competition such as **On Holding** from new Nike innovations. However, while this increased competition hurt the valuations of these stocks in the quarter, it has not impacted financials, and these companies continue to generate revenue growth in line with company and investor expectations.

Further losses were seen in more economic-sensitive Consumer Discretionary companies whose businesses could be hurt by declines in consumer spending such as **Choice** and **Vail**. These five businesses mentioned above represented over 15% on average, of the Fund's net assets and hurt performance by 277 bps in the quarter.

Shares of **FactSet**, a leading provider of investment management tools, declined 35.8% and hurt performance by 73 bps in the quarter. The decline was due to industry-wide AI fears and uncertainty as to the competitive moat surrounding its data. However, despite these continued fears, the company continues to generate strong results that are better than company and investor expectations. They had their best quarter of new sales ever and indicated they are benefiting from AI through revenue enhancements, pricing uptakes, and cost containments not being hurt by it. However, despite these strong results and commentary, the stock's valuation continues to contract. While we believe it's currently impossible to disprove the negative AI case, we believe the company's moat around trust, brand, and distribution is deeper than most investors realize. **FactSet** is deeply embedded in customer workflows, making them a logical partner through which many customers will leverage AI in a highly regulated end-market. As a result, we believe their ability to both normalize and consolidate vast amounts of data is underappreciated. We retain our belief that **FactSet** is an attractive company due to its large addressable market, consistent execution on both new product development and financial results, and robust free cash flow generation.

Shares of **Verisk**, a leading data and analytics vendor, declined 19.1% in the quarter and hurt performance by 51 bps. The decline was due to concerns of a deceleration in revenue growth in the second half of the year due to softer insurance market as well as a large acquisition the company made in the quarter to expand its product pipeline and accelerate growth in the coming years. However, while the revenue growth concerns are valid, it is only a difference in growth of 50 bps depending on whether they are selling into a strong or softer insurance market. The company continues to generate strong high single-digit revenue growth and remains upbeat on their pipeline of new products moving forward. We believe that **Verisk** is well positioned around AI given they are a necessary asset for insurance companies in the property and casualty insurance ecosystem and the deeply proprietary nature of many of their data assets. We still believe the company is well positioned for long-term growth, margin expansion, and strong returns on investments over the coming years.

Premium footwear and apparel brand **On Holding** declined 18.4% in the period and hurt performance by 91 bps. The stock has been volatile this year amid tariff uncertainty and increased competition as Nike increases investments in new products that could impact both **On's** revenue growth trajectory and margin



structure. However, despite these headwinds, we believe On is well equipped to navigate the current environment. Its strong brand and premium positioning should enable it to offset tariff exposure through selective price increases, while demand for its products remains resilient despite increased competition. On should continue to grow for many years and take share in the highly attractive global sportswear market as they remain a small player in a large growing market with just 2% of the global sports footwear market. We believe On has differentiated itself through its engineered solution whereas other brands rely more on marketing and that On's innovation capabilities should fuel share gains for many years. This growth should be supported by expansions across categories, retail outlets, and geographies, including underserved markets such as Asia. We believe the company should be able to grow revenue at a CAGR of over 20% the next few years leading to EBITDA growth of over 30% which when combined with a mid-single-digit yield on free cash flow should set the stock up for strong returns in the years to come.

Shares of Choice, a global franchisor of economy and midscale hotels across a portfolio of well-known brands, declined 15.6% and hurt performance by 44 bps. Shares fell during the quarter as investors were concerned with slowing revenue-per-available-room (RevPAR) growth. However, management has steadily reduced Choice's exposure to RevPAR fluctuations by expanding higher-margin, non-RevPAR fee income as it leverages the company's 70-million-member loyalty database to secure additional partnerships with credit card companies, timeshare operators, and casinos. Choice is also adding higher-revenue units at a low single-digit rate, with a focus on larger room sizes, premium royalty rates, and RevPAR levels that exceed the current portfolio. We expect revenue growth to accelerate as a robust pipeline of new projects come online and Choice captures synergies from its Radisson Americas acquisition by increasing traffic to those properties and narrowing the royalty-rate gap between Radisson and legacy Choice brands. With a strong balance sheet, Choice is well positioned to return capital to shareholders through dividends and share repurchases.

Shares of global ski resort company Vail were down 4.7% for the quarter, detracting 18 bps. Vail's stock was hurt by investor concerns about slowing visitation levels, driven by a lack of growth in season pass sales. In response, the company is refining its marketing strategy and investing in new media channels, including social media and influencer partnerships, to attract new skiers and accelerate pass sales. Vail also plans to narrow the pricing gap between lift tickets and season passes to encourage more non-pass holders to join its ecosystem, which should drive stronger pass growth next year. Consumer sentiment toward Vail's pass products is improving, and management continues to enhance the value of the portfolio. The company maintains strong margins and cash flow, which support both share repurchases and a 6% dividend yield. We believe the stock's significant discount to its historical valuation should narrow as growth reaccelerates in the coming years.

These declines were overshadowed by gains from companies who benefitted from recent investments in their company technology and products and who continued to take market share from

competitors as they further penetrated their large addressable market opportunities. Included in this category of investments are Tesla, Shopify, and FIGS, Inc.

Tesla's shares increased 40.0% in the quarter, adding 281 bps to performance. Tesla designs, manufactures, and sells electric vehicles, related software and components, and solar and energy storage products. The stock increased as the core automotive segment accelerated sequentially, and management indicated they expected a further acceleration later in 2025 and in 2026 as they release new lower-cost models. In addition, the start of autonomous vehicles in Austin in June also helped increase sentiment in stock. We continue to believe lower interest rates should help sell more cars and halt the company's continuous lowering of prices.

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

Shares of Shopify rose 28.8% in the period, contributing 85 bps to performance. Shopify is a leading cloud-based software provider for multi-channel commerce. The company continued to deliver solid results, with second-quarter revenue up 30% year over year in constant currency, reflecting sustained market share gains driven by 29% growth in gross merchandise volume (GMV). Growth was broad-based across Shopify's core e-commerce merchant base and supported by successful expansion into offline, international, and business-to-business channels, which grew 29%, 42%, and 101%, respectively. Shares also benefited from progress in agentic commerce, underscored by Shopify's recently announced partnership with OpenAI, the owner of ChatGPT. We believe the company's maturing product suite is becoming increasingly attractive to merchants of all sizes and geographies, enabling it to further expand its addressable market. We remain shareholders due to Shopify's strong competitive positioning, innovative culture, and long runway for growth, as it still holds less than a 2% share of the global commerce market.

Shares of FIGS increased 18.6% in the quarter and added 35 bps to performance. The company is generating strong results and accelerating revenue from recent investments made over the past year. This is despite making a conscious decision to pull back on

promotions. After several years of industry pressure, FIGS is now seeing more normal purchasing and replenishment patterns while also benefiting from specific initiatives around product and marketing that are resonating with its customers. The company is also seeing better-than-expected margin improvements as they begin to get better efficiency out of their new fulfillment center. We continue to believe FIGS can take share in the attractive \$80 billion global health care apparel industry. According to the Bureau of Labor Statistics, health care remains one of the fastest growing employment industries in the U.S. and FIGS benefits from being a need-based, replenishment item. The company is well positioned to take share in this industry through its premium, high-quality products sold advantageously through its website and stores. In addition to growing its core scrubs business, we believe that FIGS will also see outsized growth from its initiative to grow stores, business to business revenue, and expand internationally. We believe the revenue acceleration combined with margins expansions and strong cash generation should leave the company well positioned for further growth over time.

## Total returns by investment type for the quarter

	Percent of Net Assets (%)	Total Return (%)	Contribution to Return (%)
<b>Russell 2500 Growth Index</b>		<b>10.73</b>	
<b>Disruptive Growth</b>	<b>43.1</b>	<b>9.63</b>	<b>3.76</b>
Figma, Inc.	0.3	57.18	0.13
Tesla, Inc.	9.7	40.00	2.81
Shopify Inc.	3.6	28.83	0.85
FIGS, Inc.	2.0	18.62	0.35
Space Exploration Technologies Corp.	11.6	14.59	1.38
ANSYS, Inc.	0.0	12.71	0.18
Neuralink Corp.	0.2	0.00	0.00
X.AI Holdings Corp.	2.2	0.00	0.00
Samsara Inc.	1.4	(5.53)	(0.09)
Duolingo, Inc.	1.3	(6.30)	(0.02)
Spotify Technology S.A.	6.5	(9.04)	(0.74)
On Holding AG	4.4	(18.16)	(0.91)
Synopsys Inc	0.0	(26.11)	(0.19)
<b>Real/Irreplaceable Assets</b>	<b>19.4</b>	<b>3.79</b>	<b>0.81</b>
Las Vegas Sands Corporation	1.7	24.22	0.36
Toll Brothers, Inc.	1.4	21.56	0.27
Red Rock Resorts, Inc.	4.3	17.84	0.71
Douglas Emmett, Inc.	0.8	4.80	0.04
Hyatt Hotels Corporation	3.9	1.74	0.09
Vail Resorts, Inc.	3.9	(4.63)	(0.18)
Airbnb, Inc.	0.9	(8.15)	(0.06)
Choice Hotels International, Inc.	2.4	(15.55)	(0.44)

## Total returns by investment type for the quarter (continued)

	Percent of Net Assets (%)	Total Return (%)	Contribution to Return (%)
<b>Financials</b>	<b>15.2</b>	<b>3.38</b>	<b>0.51</b>
Interactive Brokers Group, Inc.	5.3	24.34	1.11
Jefferies Financial Group Inc.	1.1	20.42	0.20
Arch Capital Group Ltd.	2.9	(0.35)	(0.01)
MSCI Inc.	4.6	(0.95)	(0.05)
FactSet Research Systems Inc.	1.3	(35.76)	(0.73)
<b>Core Growth</b>	<b>21.7</b>	<b>(0.27)</b>	<b>0.00</b>
IDEXX Laboratories, Inc.	5.4	19.12	0.94
Live Nation Entertainment, Inc.	1.5	8.01	0.12
CoStar Group, Inc.	4.0	4.94	0.24
Guidewire Software, Inc.	4.5	(2.37)	(0.16)
Birkenstock Holding plc	4.1	(7.59)	(0.30)
Verisk Analytics, Inc.	2.1	(19.10)	(0.51)
Iridium Communications Inc.	0.0	(52.29)	(0.34)
<b>Cash and Cash Equivalents</b>	<b>0.6</b>	<b>--</b>	<b>0.02</b>
<b>Fees</b>	<b>--</b>	<b>(0.28)</b>	<b>(0.28)</b>
<b>Total</b>	<b>100.0*</b>	<b>4.82**</b>	<b>4.82**</b>

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

\*\* Represents the blended return of all share classes of the Fund.

Sources: Baron Capital, FTSE Russell, and FactSet PA.

## Top contributors to performance for the quarter

	Year Acquired	Market Cap When Acquired (\$B)	Quarter End Market Cap (\$B)	Total Return (%)	Contribution to Return (%)
Tesla, Inc.	2014	31.2	1,478.8	40.00	2.81
Space Exploration Technologies Corp.	2017	21.6	400.1	14.59	1.38
Interactive Brokers Group, Inc.	2023	33.8	117.0	24.34	1.11
IDEXX Laboratories, Inc.	2022	36.5	51.1	19.12	0.94
Shopify Inc.	2022	43.9	193.0	28.83	0.85

**Tesla, Inc.** designs, manufactures, and sells fully electric vehicles, related software and components, solar products, and energy storage solutions. Shares rose during the quarter due to three key catalysts. First, Tesla's core automotive business is showing renewed strength, with expectations for rising third-quarter delivery volumes across major markets following an enthusiastic consumer response to a new Model Y variant in China. Second, investor confidence in the company's long-term vision and in Elon Musk's leadership was reinforced by a newly proposed CEO compensation package and nearly \$1 billion in personal share purchases by Musk. Finally, Tesla's AI initiatives continue to advance rapidly, highlighted by the Austin robotaxi network's expansion from 20 to over 170 square miles since its June 2025 launch and plans for rollouts to additional cities. The upcoming

Full Self-Driving Version 14 release is also expected to deliver a major leap in capability for the company's consumer-owned fleet, while humanoid robot production is anticipated next year as Tesla finalizes its latest Optimus design.

**Space Exploration Technologies Corp.** (SpaceX) is a high-profile private company founded by Elon Musk. The company's primary focus is on developing and launching advanced rockets, satellites, and spacecrafts, with the ambitious long-term goal of making life multi-planetary. SpaceX is generating significant value with the rapid expansion of its Starlink broadband service. The company is successfully deploying a vast constellation of Starlink satellites in Earth's orbit, reporting substantial growth in active users, and regularly deploying new and more efficient hardware technology. Furthermore, SpaceX has established itself as a leading launch provider by offering highly reliable and cost-effective launches, leveraging the company's reusable launch technology. SpaceX capabilities extend to strategic services such as human spaceflight missions. Moreover, SpaceX is making tremendous progress on its newest rocket, Starship, which is the largest, most powerful rocket ever flown. This next-generation vehicle represents a significant leap forward in reusability and space exploration capabilities. We value SpaceX using prices of recent stock transactions.

Leading online brokerage house **Interactive Brokers Group, Inc.** contributed to performance, driven by strong quarterly results. The company continues to grow accounts at a 30%-plus rate year over year, with revenue and earnings remaining robust. Interactive Brokers is also benefiting from favorable market conditions, as elevated asset prices and strong investor trading volumes combine to drive unusually high earnings for the company. We believe Interactive Brokers has a compelling long-term growth path and remain investors.

#### Top detractors from performance for the quarter

	Year Acquired	Market Cap When Acquired (\$B)	Quarter End Market Cap (\$B)	Total Return (%)	Contribution to Return (%)
On Holding AG	2023	10.1	13.8	(18.42)	(0.91)
Spotify Technology S.A.	2020	45.4	145.5	(9.04)	(0.74)
FactSet Research Systems Inc.	2008	2.5	10.8	(35.76)	(0.73)
Verisk Analytics, Inc.	2022	27.4	35.1	(19.10)	(0.51)
Choice Hotels International, Inc.	2010	1.9	4.9	(15.55)	(0.44)

Shares of premium footwear and apparel brand **On Holding AG** fell during the quarter amid macroeconomic uncertainty and concerns about rising competition in the global sportswear industry. Despite these headwinds, the company delivered strong quarterly results, with revenue up 38% and broad-based growth across regions and categories. Management also raised its revenue and profitability expectations for the year. We maintain conviction in On's ability to gain market share in the attractive global sportswear segment through its premium brand positioning and innovative

product offerings, and we believe shares remain undervalued at current levels.

**Spotify Technology S.A.** is a leading global digital music service, offering on-demand audio streaming through paid premium subscriptions and an ad-supported model. Shares detracted from performance following mixed quarterly results and a longer timeline for margin expansion. This was partly offset by announcements of price increases across multiple regions and completed negotiations with major record labels. Despite recent price hikes, user growth remained strong at a double-digit pace, with high engagement and low churn even amid consumer uncertainty. The company has been on a path to structurally increase gross margins, aided by its high-margin artist promotions marketplace, growing contribution from podcasts, and ongoing investments in advertising. Spotify also continued to innovate on the product side, calling 2025 the "year of accelerated execution," with priorities in improving advertising, expanding into video, developing a Super Premium tier, and taking more market share. We continue to view Spotify as a long-term winner in music streaming with potential to reach 1 billion-plus monthly active users.

**FactSet Research Systems Inc.** is a leading provider of investment management tools. Shares fell during the quarter due to a combination of industry-wide concerns about AI, uncertainty surrounding the ongoing CEO transition (which prompted a more conservative preliminary fiscal 2026 outlook), and cautious commentary from several financial data and software peers. The company nevertheless reported solid fiscal fourth-quarter 2025 earnings results, its best quarter ever for new sales, and discussed at length how AI is benefiting the business. We retain long-term conviction in FactSet given its large addressable market, strong execution across both new product development and financial results, and robust free cash flow generation.

#### Investment Strategy and Portfolio Structure

We remain steadfast in our commitment to long-term investing in competitively advantaged, growth businesses. We continue to run a balanced portfolio of uncorrelated businesses to help reduce portfolio risk while generating strong excess returns over time. We believe this portfolio strategy is an effective way to protect and increase the purchasing power of your savings. While there will always be market volatility, we believe we can reduce that volatility via this portfolio that is approximately 20% less volatile than the market. This is due to the balanced nature of the portfolio as seen below with approximately 40% on average invested in fast growing **Disruptive Growth** investments that can generate revenue growth of as much as 20% to 30%; 20% of the portfolio in **Real/Irreplaceable Assets** that trade at significant discounts to replacement cost and where they would sell to private equity or another strategic buyer; and 15% in financial data businesses (**Financials**) that have recurring revenue and earnings given the embedded nature of their products in the workflow of their customers; and the balance in **Core Growth** double-digit revenue growing businesses that are more mature in their lifecycle and generate earnings growth while using excess cash for dividend

increases, share buybacks, and additional investments in the business in order to accelerate growth further.

As of September 30, 2025, the Fund held 30 investments. From a quality standpoint, the Fund's investments have generally stronger long-term sales growth; higher EBITDA, operating, and free-cash-flow margins; and stronger returns on invested capital than the Benchmark with generally less financial leverage. We believe these metrics help limit risk in this focused portfolio and are why the portfolio has generated such strong risk-adjusted returns over time.

While focused, the Fund is diversified by sector. The Fund's weightings are significantly different than those of the Benchmark. For example, the Fund is heavily weighted to Consumer Discretionary businesses with 40.0% of net assets in this sector versus 13.0% for the Benchmark. The Fund has no exposure to Energy, Materials, Consumer Staples or Utilities. We believe companies in these sectors can be cyclical, linked to commodity prices, and/or have little if any competitive advantage. This compares to the Benchmark that had 7.7% total exposure to these sectors. The Fund also has lower exposure to Health Care stocks at 5.6% versus 20.6% for the Benchmark. The performance of many stocks in the Health Care sector can change quickly due to exogenous events or binary outcomes (e.g., biotechnology and pharmaceuticals). As a result, we do not invest a large amount in these stocks in this focused portfolio. In Health Care, we invest in competitively advantaged companies that are leaders in their industries such as **IDEXX Laboratories, Inc.**, the leading provider of diagnostics to the veterinary industry and who is benefiting from the increase in pets that people acquired during the COVID pandemic, especially as these pets age. The Fund is further diversified by investments in businesses at different stages of growth and development.

## Disruptive Growth Companies

	Percent of Net Assets (%)	Year Acquired	Cumulative Return Since Date Acquired (%)
Space Exploration Technologies Corp.	11.6	2017	1,433.1
X.AI Holdings Corp.	2.2	2024	205.4
Neuralink Corp.	0.2	2025	0.0
Tesla, Inc.	9.7	2014	2,564.0
Spotify Technology S.A.	6.5	2020	191.7
On Holding AG	4.4	2023	32.8
Shopify Inc.	3.6	2022	326.9
FIGS, Inc.	2.0	2022	(27.0)
Samsara Inc.	1.4	2025	9.2
Duolingo, Inc.	1.3	2025	(11.6)
Figma, Inc.	0.3	2025	(55.1)

**Disruptive Growth** firms accounted for 43.1% of the Fund's net assets. On current metrics, these businesses may appear expensive; however, we think they will continue to grow

significantly and, if we are correct, they have the potential to generate exceptional returns over time. Examples of these companies include electric vehicle leader **Tesla, Inc.**, commercial satellite and launch company **Space Exploration Technologies Corp.**, and audio streaming service provider **Spotify Technology S.A.** These companies all have large underpenetrated addressable markets, and are well financed with significant equity stakes by these founder-led companies, giving us further confidence in our investment.

## Core Growth Investments

	Percent of Net Assets (%)	Year Acquired	Cumulative Return Since Date Acquired (%)
IDEXX Laboratories, Inc.	5.4	2022	44.8
Guidewire Software, Inc.	4.5	2013	397.3
Birkenstock Holding plc	4.1	2023	12.6
CoStar Group, Inc.	4.0	2014	294.3
Verisk Analytics, Inc.	2.1	2022	48.1
Live Nation Entertainment, Inc.	1.5	2024	16.5

**Core Growth** investments, steady growers that continually invest in their businesses for growth and return excess free cash flow to shareholders, represented 21.7% of net assets. An example would be **CoStar Group, Inc.**, a marketing and data analytics provider for the real estate industry. The company continues to add new services in commercial and residential real estate, which have grown its addressable market and enhanced services for its clients. This has improved client retention and cash flow. CoStar continues to invest its cash flow in its business to accelerate growth, which we believe should generate strong returns over time.

## Investments with Real/Irreplaceable Assets

	Percent of Net Assets (%)	Year Acquired	Cumulative Return Since Date Acquired (%)
Red Rock Resorts, Inc.	4.3	2017	254.7
Hyatt Hotels Corporation	3.9	2009	423.2
Vail Resorts, Inc.	3.9	2013	223.0
Choice Hotels International, Inc.	2.4	2010	440.2
Las Vegas Sands Corporation	1.7	2023	22.8
Toll Brothers, Inc.	1.4	2025	28.3
Airbnb, Inc.	0.9	2024	5.9
Douglas Emmett, Inc.	0.83	2022	13.6

Companies that own what we believe are **Real/Irreplaceable Assets** represented 19.4% of net assets. **Vail Resorts, Inc.**, owner of the premier ski resort portfolio in the world, **Hyatt Hotels Corporation**, upscale lodging brand, and **Red Rock Resorts, Inc.**, the largest player in the Las Vegas locals casino gaming market,



are examples of companies we believe possess meaningful brand equity and barriers to entry that equate to pricing power.

## Financials Investments

	Percent of Net Assets (%)	Year Acquired	Cumulative Return Since Date Acquired (%)
Interactive Brokers Group, Inc.	5.3	2023	248.9
MSCI Inc.	4.6	2021	(9.5)
Arch Capital Group Ltd.	2.9	2003	2,520.3
FactSet Research Systems Inc.	1.3	2008	571.4
Jefferies Financial Group Inc.	1.1	2023	128.6

**Financials** investments accounted for 15.2% of the Fund's net assets. These businesses generate strong recurring earnings through subscriptions and premiums that generate highly predictable earnings and cash flow. These businesses use cash flows to continue to invest in new products and services, while returning capital to shareholders through share buybacks and dividends. These companies include **Arch Capital Group Ltd.**, **FactSet Research Systems Inc.**, and **MSCI Inc.**

## Portfolio Holdings

As of September 30, 2025, the Fund's top 10 holdings represented 60.5% of net assets. Many of these investments have been successful and were purchased when they were much smaller businesses. We believe they continue to offer significant appreciation potential, although we cannot guarantee that will be the case.

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

## Top 10 holdings

	Year Acquired	Market Cap When Acquired (\$B)	Quarter End Market Cap (\$B)	Quarter End Investment Value (\$M)	Percent of Net Assets (%)
Space Exploration Technologies Corp.	2017	21.6	400.1	325.6	11.6
Tesla, Inc.	2014	31.2	1,478.8	273.5	9.7
Spotify Technology S.A.	2020	45.4	145.5	182.9	6.5
IDEXX Laboratories, Inc.	2022	36.5	51.1	152.4	5.4
Interactive Brokers Group, Inc.	2023	33.8	117.0	148.6	5.3
MSCI Inc.	2021	53.9	43.9	129.4	4.6
Guidewire Software, Inc.	2013	2.7	19.4	127.9	4.5
On Holding AG	2023	10.1	13.8	122.8	4.4
Red Rock Resorts, Inc.	2017	2.6	6.4	122.1	4.3
Birkenstock Holding plc	2023	7.6	8.3	114.7	4.1

Thank you for investing in Baron Focused Growth Fund. We continue to work hard to justify your confidence and trust in our stewardship of your family's hard-earned savings. We also continue to try to provide you with information we would like to have if our roles were reversed. This is so you can make an informed judgment about whether the Fund remains an appropriate investment for your family.

Sincerely,



Ronald Baron  
CEO  
Portfolio Manager



David Baron  
Co-President  
Portfolio Manager



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

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

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

<sup>3</sup> The performance data does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares.

<sup>4</sup> 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.

<sup>5</sup> Not annualized.

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

**Risks:** The Fund is non-diversified which means, in addition to increased volatility of the Fund's returns, it will likely have a greater percentage of its assets in a single issuer or a small number of issuers, including in a particular industry than a diversified fund. Single issuer risk is the possibility that factors specific to an issuer to which the Fund is exposed will affect the market prices of the issuer's securities and therefore the net asset value of the Fund. Specific risks associated with investing in small and medium-sized companies include that the securities may be thinly traded and more difficult to sell during market downturns.

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

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

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

**EBITDA**, short for earnings before interest, taxes, depreciation, and amortization, is an alternate measure of profitability to net income. It's used to assess a company's profitability and financial performance. **Long-term sales growth** refers to the increase in a company's sales over a particular period of time. It is a metric that companies can use to identify the rate at which their sales revenue increases over time. **Operating margin** is a company's profit for every dollar of sales after deducting production costs like wages and raw materials but before accounting for interest and taxes.

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



QUARTERLY LETTER | SEPTEMBER 30, 2025

## Baron Asset Fund<sup>®</sup>

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

### Dear Baron Asset Fund Shareholder,

#### Performance

U.S. equities were broadly higher in the third quarter, building on last quarter's gains. The primary driver behind the market strength was the increased likelihood that the Federal Reserve (the Fed) would cut interest rates. The Fed resumed its rate-cutting cycle at its September meeting, lowering its policy rate by 25 basis points. Generally, healthy corporate earnings, reduced trade tensions, resilient consumer spending, increased M&A and IPO activity, and continued optimism about AI also contributed to market strength.

The returns of large-cap stocks were dominated by the Magnificent Seven complex for a second consecutive quarter, accounting for 62% of the S&P 500 Index's quarterly gains. Information Technology (IT), Communication Services, and Consumer Discretionary were the only sectors to outperform the broader market thanks to the heavy influence of the Magnificent Seven. Consumer Staples was the only sector to decline in the period. Other laggards included Real Estate, Financials, Health Care, Industrials, Energy, and Materials.

The returns of the Russell Midcap Growth Index (the Index) continued to be dominated by a small number of largely lower-quality, richly valued stocks. As demonstrated in the table below, the performance of just 10 stocks contributed approximately 90% of the Index's 12.84% return during the first three quarters of 2025. The other 343 stocks in the Index collectively contributed just 1.35% of the Index return, half of which (178 out of 343 stocks) posted negative returns during the period.

In addition, the 10 stocks that drove almost all of the Index's return were disproportionately high in certain factors described below, most notably volatility and valuation. For example, on September 30, 2025, Palantir traded at nearly 250 times next-twelve-month (NTM) earnings, and Cloudflare traded at over 200 times NTM earnings. Roblox had a negative 2025 EPS and



Andrew Peck  
Portfolio Manager

#### Annualized performance (%) for period ended September 30, 2025<sup>†</sup>

	Fund Retail Shares <sup>1,2</sup>	Fund Institutional Shares <sup>1,2,3</sup>	Russell Midcap Growth Index <sup>1</sup>	Russell 3000 Index <sup>1</sup>
QTD <sup>5</sup>	(4.29)	(4.23)	2.78	8.18
YTD <sup>5</sup>	0.11	0.30	12.84	14.40
1 Year	0.00	0.26	22.02	17.41
3 Years	13.23	13.52	22.85	24.12
5 Years	4.66	4.93	11.26	15.74
10 Years	10.82	11.11	13.37	14.71
15 Years	11.57	11.86	13.44	14.23
Since Inception (6/12/1987)	11.00	11.13	10.63 <sup>4</sup>	10.65

Alnylam Pharmaceuticals traded at 110x NTM earnings. Palantir and Cloudflare were also trading at lofty valuations (164 and 138 times NTM earnings, respectively) entering the year, while Roblox and Alnylam Pharmaceuticals were unprofitable.

In addition, these stocks were disproportionately low in Earnings Quality. In fact, according to MSCI Barra, a leading provider of market and portfolio analysis tools, during the past quarter, companies with high-quality earnings underperformed those with lower-quality earnings by the widest margin *since their data became available in 1975*. The six-month and one-year results for these high-quality companies have also been the weakest on record. These unusual market dynamics created challenging headwinds for the Fund's longstanding investment approach – purchasing high-quality, competitively advantaged companies trading at what we deem to be reasonable valuation levels.

*Performance listed in the above table is net of annual operating expenses. Annual expense ratio for the Retail Shares and Institutional Shares as of January 28, 2025 was 1.29% and 1.04%, respectively. The performance data quoted represents past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original cost. The Fund's transfer agency expenses may be reduced by expense offsets from an unaffiliated transfer agent, without which performance would have been lower. Current performance may be lower or higher than the performance data quoted. For performance information current to the most recent month end, visit [BaronCapitalGroup.com](https://BaronCapitalGroup.com) or call 1-800-99-BARON.*

## Russell Midcap Growth Index - Top 10 Contributors to Return

YTD through 9/30/2025

								Select Stock Metrics <sup>1</sup>				
#	Security Name	Index Average Weight (%)	Stock Total Return (%)	Contribution To Index Return (%)	Weight in Fund as of 9/30/2025 (%)	NTM Price to Earnings as of 12/31/2024	NTM Price to Earnings as of 9/30/2025	Beta / Volatility	Recent Performance Strength	Earnings Quality	Valuation	Growth
1	Palantir Technologies Inc. <sup>2</sup>	4.45	72.9	4.47	--	164.3x	245.5x	high	high	low	high	high
2	Roblox Corp.	1.58	139.4	1.52	--	Negative EPS	Negative EPS	high	high	moderate	high	low
3	Cloudflare, Inc.	1.60	99.3	1.04	--	137.9x	214.2x	high	high	average	high	high
4	Alnylam Pharmaceuticals, Inc.	1.22	93.8	0.88	--	Negative EPS	110.3x	moderate	high	low	high	low
5	Vistra Corp.	1.84	42.7	0.74	--	21.7x	22.5x	high	high	low	average	high
6	IDEXX Laboratories, Inc.	1.35	54.5	0.63	6.25	35.4x	48.4x	low	low	moderate	moderate	low
7	Coinbase Global, Inc.	0.94	35.9	0.59	--	46.8x	56.1x	high	high	low	moderate	low
8	Cencora, Inc.	1.60	39.9	0.55	--	15.1x	18.4x	low	average	moderate	low	moderate
9	Monolithic Power Systems, Inc.	1.06	56.6	0.53	--	37.1x	49.6x	high	low	average	moderate	high
10	Vertiv Holdings Co	1.35	32.9	0.52	1.05	34.5x	35.0x	high	high	moderate	moderate	high
Top 10 Total		16.99		11.49	7.31							
Index Total				12.84		25.7x	27.3x					

<sup>1</sup> The levels of the stock metrics are based on average raw factor scores of the individual stocks according to the MSCI Barra USSLOWL Factor Model for the YTD period ended 9/30/2025.

<sup>2</sup> Palantir Technologies Inc. was removed from the Russell Midcap Growth Index at the conclusion of the latest Russell reconstitution in late June.

Sources: Baron Capital, FTSE Russell, MSCI Barra USSLOWL Factor Model, and FactSet PA.

Baron Asset Fund (the Fund) underperformed for a second consecutive quarter as U.S. equities continued their strong rally from the market lows reached on April 8. The Fund declined 4.23% (Institutional Shares) in the third quarter, trailing the Index's gain of 2.78%. Similar to the prior quarter, the relative shortfall was mostly related to the Fund's underexposure to the styles described in the chart above. The Fund's underexposure to Momentum, Beta, and Residual Volatility proved especially costly, as stocks with elevated exposure to these factors continued to lead the market higher in the period. The Fund's overexposure to Earnings Quality also hampered performance given the ongoing rally in lower quality stocks during the quarter. The Earnings Quality factor suffered *its worst three-month performance in history* during the quarter, exemplifying how challenging the market environment was given the Fund's higher quality profile.

From a sector perspective, stock selection in IT and Communication Services was responsible for about three-quarters of the underperformance in the period, with much of the weakness attributable to sharp declines from syndicated research provider **Gartner, Inc.** and global ticket marketplace **StubHub Holdings, Inc.** Both holdings are discussed in detail below.

Stock selection in Consumer Discretionary, Financials, and Industrials also hampered relative results. Weakness in Consumer Discretionary was broad based, led by double-digit declines from lodging franchisor **Choice Hotels International, Inc.** and premium footwear and apparel brand **On Holding AG**. Choice

shares fell amid investor concerns over continued revenue per available room (RevPAR) weakness at the company's lower-end economy and midscale brands. While the slowdown in RevPAR is disappointing and bears monitoring, Choice continues to grow its more revenue-intensive units at a strong pace, helping offset the softness. The company is also increasing royalty rates, particularly across its Radisson brands, further supporting revenue and margin expansion. Choice generates strong cash flow and maintains a solid balance sheet, providing flexibility to pursue acquisitions, reinvest in the business, and repurchase shares. We believe the stock's valuation continues to reflect a significant discount to intrinsic value, and management's disciplined capital allocation and commitment to returning capital to shareholders position the company for upside as growth reaccelerates following the recent economic slowdown.

On Holding's stock price was pressured by macroeconomic uncertainty and concerns about rising competition in the global sportswear industry. Despite these headwinds, the company delivered strong quarterly results, with revenue up 38% and broad-based growth across regions and categories. Management also raised its revenue and profitability expectations for the year. We maintain conviction in On's ability to gain market share in the attractive global sportswear segment through its premium brand positioning and innovative product offerings, and we believe shares remain undervalued at current levels.

Performance in Financials was hindered by financial data businesses **FactSet Research Systems Inc.** and **Morningstar, Inc.**, whose share prices were hurt by a combination of industry-wide

concerns about the potential impacts of AI, cautious commentary from several financial data and software peers, and factor rotation as investors shifted from high-quality, defensive names to higher-growth stocks. We remain investors in these high-quality businesses. Data and analytics vendor **Verisk Analytics, Inc.** was mostly responsible for the relative shortfall in Industrials, which is discussed further below.

Somewhat offsetting the above was solid stock selection in Health Care along with higher exposure to Real Estate, which was the second best performing sector in the Index. Solid stock selection in Health Care was driven by strong performance from veterinary diagnostics leader **IDEXX Laboratories, Inc.**, whose share price was lifted by better-than-expected financial results, as discussed below.

#### Top contributors to performance for the quarter

	Year Acquired	Contribution to Return (%)
IDEXX Laboratories, Inc.	2006	1.13
Amphenol Corporation	2019	1.01
Space Exploration Technologies Corp.	2020	0.72
Dayforce, Inc.	2018	0.37
Quanta Services, Inc.	2023	0.27

Veterinary diagnostics leader **IDEXX Laboratories, Inc.** contributed to performance after reporting better-than-expected financial results. Foot traffic to veterinary clinics in the U.S. continued to improve modestly from depressed levels, contributing to roughly 10% constant currency revenue growth in its core Companion Animal segment – its best result in two years. In addition, the company installed 2,400 of its inVue Dx cellular analyzers, exceeding investor expectations, and boding well for the associated future consumable revenue stream. IDEXX also continued aggressively to repurchase its shares, signaling management's confidence that favorable dynamics should continue. We see increasing evidence that long-term secular trends around pet ownership and pet care spending have structurally accelerated, and we expect IDEXX's long-term growth rate and margin profile to improve.

**Amphenol Corporation**, a leading global supplier of advanced interconnect systems for data centers, gained during the quarter. Its shares rallied as expectations for data center capital spending continued to rise with the accelerating adoption of AI. In addition, Amphenol announced its largest-ever acquisition—CommScope's Connectivity and Cable Solutions business for \$10.5 billion—which was well received by investors. Amphenol has demonstrated consistent shareholder value creation through prudent capital deployment and disciplined acquisitions. We remain shareholders given the company's durable competitive advantages, favorable tailwinds from AI-driven data center construction, and its proven long-term track record of both organic and inorganic growth.

**Space Exploration Technologies Corp.** (SpaceX) is a high-profile private company founded by Elon Musk. The company's primary focus is on developing and launching advanced rockets, satellites,

and spacecrafts, with the ambitious long-term goal of making life multi-planetary. SpaceX is generating significant value through the rapid expansion of its Starlink broadband service. The company continues to successfully deploy a vast constellation of Starlink satellites in Earth's orbit, reporting substantial growth in active users, and regularly deploying new and more efficient hardware technology. Furthermore, SpaceX has established itself as a leading launch provider by offering highly reliable and cost-effective launches, leveraging the company's reusable launch technology. SpaceX capabilities extend to strategic services such as human spaceflight missions. Moreover, SpaceX is making tremendous progress on its newest rocket, Starship - the largest, most powerful rocket ever flown. This next-generation vehicle represents a significant leap forward in reusability and space exploration capabilities. We value SpaceX using the prices of recent stock transactions.

#### Top detractors from performance for the quarter

	Year Acquired	Contribution to Return (%)
Gartner, Inc.	2007	(2.31)
StubHub Holdings, Inc.	2021	(1.39)
Verisk Analytics, Inc.	2009	(0.98)
FactSet Research Systems Inc.	2006	(0.67)
Fair Isaac Corporation	2020	(0.54)

**Gartner, Inc.**, a provider of syndicated research primarily related to the IT sector, detracted from performance after reporting disappointing second quarter earnings. Contract value growth, a leading indicator of the company's future revenue, decelerated from 6.7% to 4.9% in the prior quarter, and this figure was below investor expectations of around 6%. We attribute most of the slowdown to ongoing cost cutting in the U.S. public sector, which represents around 5% of revenue, as well as more challenging business conditions in industries dependent on public sector funding, such as education. We also believe companies with meaningful exposure to tariffs tightened cost controls, resulting in longer sales cycles and slightly higher attrition.

While the market expressed concern about the impact of AI on Gartner's business, we see no evidence that this is negatively impacting its value proposition. We believe that Gartner has a vast and growing set of proprietary data, generated by hundreds of thousands of interactions with buyers, sellers, and consumers of technology. Gartner's proprietary insight extends to corporate technological roadmaps, enabling the company to assess future trends. Gartner also delivers tangible ROI (Return on Investment) for its customers through its contract review program; we estimate that for every dollar spent with Gartner, a customer can save up to \$10 in lower procurement costs. In addition, we estimate that almost 95% of Gartner's research business comes from customers that want to talk with or meet with an analyst or former CIO to have a partner help guide their decisions. We believe that AI should provide a tailwind for Gartner at this point, as every company in the world seeks help and insight to understand the risks and opportunities poised by AI. As a result, we believe growth trends



should improve next year as U.S. public sector headwinds abate and sales force productivity strengthens. We believe that the looming, uncertain impact of AI on most businesses should lead to additional interest in Gartner’s proprietary research, insights, and analysis.

We also expect the company to be aggressive in repurchasing stock to capitalize on its discounted valuation. We estimate that Gartner repurchased approximately \$800 million in July and August, and it then added \$1 billion to its outstanding share repurchase authorization in early September. Given the roughly \$2 billion of cash on its balance sheet, ample debt capacity, and its significant ongoing free cash flow generation, we believe the company could potentially repurchase nearly 20% of its market cap over the next 18 months. We believe the current valuation is attractive for this largely subscription-based business with substantial recurring revenue.

**StubHub Holdings, Inc.**, the leading marketplace for the resale of live event tickets, detracted from performance following its September IPO. The company has been investing heavily both to expand its market share and to develop its capabilities to sell tickets in the primary market - tickets sold directly by sports teams to fans. Its near-term results were also affected by challenging annual revenue comparisons after the outsized success of Taylor Swift tour ticket sales last year. Despite these temporary headwinds, we remain optimistic that StubHub’s revenue growth and profitability are poised to accelerate meaningfully.

**Verisk Analytics, Inc.** is a leading data and analytics vendor focused primarily on providing critical information to the property and casualty insurance industry. The stock detracted from performance after management issued a conservative outlook for the second half of 2025. Verisk also announced the \$2.35 billion acquisition of AccuLynx, cloud-based construction management software for the roofing industry, which is expected to be modestly dilutive to earnings in the first year. Lastly, shares suffered from concerns about a slowing property and casualty insurance pricing backdrop and broader industry-wide uncertainty about the impact of AI. Nonetheless, Verisk reported strong quarterly earnings and CEO Lee Shavel sounded upbeat on the company's growth potential moving forward. We maintain conviction in the competitive positioning, long-term growth, margin expansion, and capital deployment prospects for the business.

Portfolio Structure

As of September 30, 2025, the Fund held 55 positions. The Fund’s 10 largest holdings represented 47.2% of net assets, and the 20 largest represented 69.4%. The Fund’s largest weighting was in the IT sector at 24.9% of net assets. This sector includes application software companies, electronic components businesses, and IT consulting firms. The Fund held 23.6% of its net assets in the Industrials sector, which includes investments in aerospace & defense firms, research & consulting services businesses, and construction & engineering companies. The Fund held 14.7% of its net assets in Health Care, which includes investments in health care equipment, life sciences companies, and health care

technology companies. The Fund also had significant weightings in Financials at 11.6% and Consumer Discretionary at 9.4%.

As the chart below shows, the Fund’s largest investments have mostly been owned for significant periods – 6 of the 10 largest holdings have been owned for longer than a decade. This is consistent with our approach of investing for the long term in companies benefiting from secular growth trends with significant competitive advantages and best-in-class management teams.

Top 10 holdings

	Year Acquired	Market Cap When Acquired (\$B)	Quarter End Market Cap (\$B)	Quarter End Investment Value (\$M)	Percent of Net Assets (%)
Space Exploration Technologies Corp.	2020	47.0	400.1	238.6	6.3
IDEXX Laboratories, Inc.	2006	2.5	51.1	237.0	6.3
Guidewire Software, Inc.	2013	2.8	19.4	204.0	5.4
Amphenol Corporation	2019	26.2	151.1	202.1	5.3
Gartner, Inc.	2007	2.9	19.9	178.0	4.7
Verisk Analytics, Inc.	2009	4.0	35.1	167.6	4.4
CoStar Group, Inc.	2016	5.0	35.7	167.0	4.4
Arch Capital Group Ltd.	2003	0.9	33.9	147.3	3.9
Mettler-Toledo International Inc.	2008	2.4	25.3	126.6	3.3
X.AI Holdings Corp.	2024	25.0	104.5	122.2	3.2

Recent Activity

Top net purchases for the quarter

	Quarter End Market Cap (\$B)	Net Amount Purchased (\$M)
Loar Holdings Inc.	7.5	36.5
StubHub Holdings, Inc.	6.2	18.3
DraftKings Inc.	18.6	15.5
Floor & Decor Holdings, Inc.	7.9	12.1
Duolingo, Inc.	14.7	11.6

We recently initiated a position in **Loar Holdings Inc.**, a niche manufacturer of aerospace parts. Loar boasts an 85% proprietary product portfolio, with over 50% of its revenues derived from aftermarket replacement sales. We believe this is perhaps the best market in the aerospace and defense industry, as evidenced by the experience of TransDigm, a similar company that has been a successful long-term investment for Baron Capital.

We believe this market is especially attractive for several reasons. First, the aerospace industry is growing, with passenger miles increasing at a multiple of global GDP, or approximately 4%



annually. Second, Loar benefits from strong pricing power due to the critical nature of its components, the absence of substitute products (owing to high proprietary content), and high barriers to entry. These components are both high risk and relatively low cost for airlines, which are reluctant to compromise safety for minimal cost savings. Most Loar parts cost less than \$1,000. In addition, these parts require lengthy and costly approval by the Federal Aviation Administration. Given the high-variability, low-volume nature of aircraft components (millions of parts per aircraft, each with low production volumes), it is difficult for competitors to produce these parts.

The aerospace supply chain is fragmented with many components supplied by smaller privately owned businesses that, in turn, sell to system integrators, Tier 1 or Tier 2 manufacturers, or large original equipment manufacturers. Loar has acquired many of these smaller firms with the goal of doubling their EBITDA over a three- to five-year time frame. Loar will continue to seek deals with a focus on: 1) aerospace and defense businesses; 2) proprietary content and processes; 3) significant aftermarket exposure; 4) niche markets or products with strong market positions; 5) the opportunity to cross-sell an existing portfolio of products; and 6) long-standing customer relationships. Loar's strong M&A track record has been integral to its growth, with revenue and EBITDA compounding 17% and 18%, respectively, over the last five years, and 26% and 35% over the last decade. Given the strength of its business model and management team, we see a long opportunity for Loar to compound EBITDA organically in the mid-teens with a double-digit addition from M&A.

During the quarter, we invested in private company **Skyryse, Inc.** The company's mission is to make aviation safer and more accessible. To realize its objectives, the company is developing and deploying SkyOS—a comprehensive, universal flight operating system designed to leverage software and AI to simplify piloting by automating complex in-flight controls. Extending beyond just software innovation, SkyOS incorporates proprietary actuators and flight control computers that replace legacy mechanical controls. These components enable software-based flight controls, or fly-by-wire, and incorporate additional redundancies to augment each aircraft's safety. Applicable to rotary- and fixed-wing platforms alike, the system can be retrofitted into an existing fleet or incorporated into production lines. By infusing modern technology into aviation, SkyOS should be able to improve safety, simplify pilot training, expand an aircrafts operational envelope, and lower maintenance costs. Skyryse has already showcased an integration on the Robinson helicopter—a leading global manufacturer—and the company is currently collaborating with the U.S. Army to embed SkyOS in its fleet of Black Hawks.

### Top net sales for the quarter

	Quarter End Market Cap (\$B)	Net Amount Sold (\$M)
IDEXX Laboratories, Inc.	51.1	72.3
Dayforce, Inc.	10.9	56.1
Guidewire Software, Inc.	19.4	53.4
Arch Capital Group Ltd.	33.9	23.3
Gartner, Inc.	19.9	19.3

We managed down the Fund's weightings in several of our largest longtime holdings, including veterinary diagnostics company **IDEXX Laboratories, Inc.**, insurance software provider **Guidewire Software, Inc.**, insurer **Arch Capital Group Ltd.**, and IT research firm **Gartner, Inc.** **Dayforce, Inc.**, a provider of software for human capital management, reached an agreement for sale to a prominent private equity firm during the quarter.

### Outlook

After outperforming during this year's first quarter amid a sharp downdraft in the equity markets, the Fund's relative performance continued to be challenged in the third quarter amid the unusual market environment. As discussed above, this quarter was among the most difficult relative periods in history for the types of high-quality companies in which the Fund seeks to invest.

Throughout the Fund's nearly 40-year history, particular types of stocks have moved in and out of investors' favor. The recent market has rewarded many businesses that we consider to be speculative, assigning extraordinary valuations to some. The Fund has faced other challenging periods when its approach has been out of sync with prevailing market trends. However, we have found that investors eventually appreciate and reward the types of high-quality businesses we favor.

We believe that our businesses' growth opportunities and competitive positions have continued to improve, while their absolute and relative valuations have become more compelling.

Thank you for your continued confidence and support.

Sincerely,



Andrew Peck  
Portfolio Manager

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

<sup>1</sup> The **Russell Midcap® Growth Index** measures the performance of medium-sized U.S. companies that are classified as growth. The **Russell 3000® Index** measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market, as of the most recent reconstitution. All rights in the FTSE Russell Index (the "Index") vest in the relevant LSE Group company which owns the Index. Russell® is a trademark of the relevant LSE Group company and is used by any other LSE Group company under license. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. The Fund includes reinvestment of dividends, net of withholding taxes, while the Russell Midcap® Growth and Russell 3000® Indexes include reinvestment of dividends before taxes. Reinvestment of dividends positively impacts the performance results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly in an index.

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

<sup>3</sup> 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.

<sup>4</sup> For the period December 31, 1987 to December 31, 2024.

<sup>5</sup> Not annualized.

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

**Risks:** Securities issued by medium-sized companies may be thinly traded and may be more difficult to sell during market downturns. Even though the Fund is diversified, it may establish significant positions where the Adviser has the greatest conviction. This could increase volatility of the Fund's returns. The Fund may not achieve its objectives. Portfolio holdings are subject to change. Current and future portfolio holdings are subject to risk.

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

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

The portfolio manager defines "**Best-in-class**" as well-managed, competitively advantaged, faster growing companies with higher margins and returns on invested capital and lower leverage that are leaders in their respective markets. Note that this statement represents the manager's opinion and is not based on a third-party ranking. **Beta** explains common variation in stock returns due to different stock sensitivities to market or systematic risk that cannot be explained by the US Country factor. Positive exposure indicates high beta stock. Negative exposure indicates low beta stock. **EBITDA**, short for earnings before interest, taxes, depreciation, and amortization, is an alternate measure of profitability to net income. It's used to assess a company's profitability and financial performance. **EPS Growth Rate** (3-5-year forecast) indicates the long term forecasted EPS growth of the companies in the portfolio, calculated using the weighted average of the available 3-to-5 year forecasted growth rates for each of the stocks in the portfolio provided by FactSet Estimates. The EPS Growth rate does not forecast the Fund's performance. **Free Cash Flow (FCF)** represents the cash that a company generates after accounting for cash outflows to support operations and maintain its capital assets. **Momentum** in trading refers to how quickly a security's price changes, capturing the momentum of its trend. The **Residual Volatility** factor captures the volatility of the stock specific return component of a security. The stock specific return component tries to describe the idiosyncratic behavior of a company's stock price movements that is not attributable to other factors in the Barra risk model. Positive exposure to this factor indicates high stock specific volatility, while negative exposure indicates low stock specific volatility. **Return on Investment (ROI)** is a performance measure used to evaluate the efficiency or profitability of an investment or compare the efficiency of a number of different investments.

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



QUARTERLY LETTER | SEPTEMBER 30, 2025

# Baron Durable Advantage Fund®

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

## Dear Baron Durable Advantage Fund Shareholder,

### Performance

Baron Durable Advantage Fund (the Fund) gained 5.6% (Institutional Shares) during the third quarter, compared to the 8.1% increase for the S&P 500 Index (the Index), the Fund's benchmark.

Year to date, the Fund is up 13.6%, compared to the 14.8% gain for the Index.

Three quarters of the year are in the books, and U.S. large-cap equity investors continue to enjoy nice gains. The rally that commenced in the beginning of 2023 appears to still have fresh legs and in this most recent quarter, we struggled to keep up. Having said that, the Index is up 81% over that time, while the Morningstar Large Growth Category is up 101%\*, and the Fund is up 110%. A positive outcome, indeed.

Ever since digesting the Liberation Day tantrum the market has continued to grind higher, driven by the anticipated interest rate cuts by the Federal Reserve (the Fed) and of course, the daily barrage of AI announcements and deals. On September 9, Oracle announced a massive backlog of AI bookings which soared to \$455 billion (measured by Remaining Performance Obligations), an increase of 359% year-over-year. The news overshadowed the company's miss of its quarterly revenues and earnings per share estimates, and its stock surged 36%, adding approximately \$245 billion to its market capitalization. Less than two weeks later, on September 22, NVIDIA announced a \$100 billion investment into OpenAI, which committed to purchase and deploy enough NVIDIA chips to power 10 gigawatts (GWs) of compute, worth approximately half a trillion dollars. While we have been anticipating this accelerating pace of AI investments, we along with the rest of the market participants were caught a bit off guard by this massive scale. Add to this that



Alex Umansky  
Portfolio Manager

### Annualized performance (%) for period ended September 30, 2025

	Fund Retail Shares <sup>1,2</sup>	Fund Institutional Shares <sup>1,2</sup>	S&P 500 Index <sup>1</sup>
QTD <sup>3</sup>	5.54	5.62	8.12
YTD <sup>3</sup>	13.31	13.56	14.83
1 Year	16.84	17.12	17.60
3 Years	29.72	30.03	24.94
5 Years	17.28	17.58	16.47
Since Inception (12/29/2017)	16.32	16.60	14.44

company earnings have generally been better than expected, with more positive earnings revisions, and you have pretty good ingredients for the markets continuing to move higher.

From a performance attribution perspective, Information Technology (IT) continues to be the main engine behind market returns, and ours, with IT now representing 34.8% of the Index after gaining 13.2% in the third quarter. The Fund enjoyed strong stock selection in IT, Real Estate, and Health Care and was helped by being underweight Consumer Staples, Health Care, and Industrials and by not having investments in Materials or Energy. Unfortunately, this relative strength was more than offset by poor stock selection in Financials, Consumer Discretionary, and Industrials, as well as overweights in Financials and Real Estate and an underweight to IT. Not owning shares of Tesla, which was up 40% during the quarter, and Apple, which gained over 24%, cost the Fund 149bps or 59% of the relative shortfall.

*Performance listed in the table above is net of annual operating expenses. The gross annual expense ratio for the Retail and Institutional Shares as of January 28, 2025 was 1.04% and 0.77%, respectively, but the net annual expense ratio was 0.95% and 0.70% (net of the Adviser's fee waivers), respectively. The performance data quoted represents past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original cost. The Adviser waives and/or reimburses certain Fund expenses pursuant to a contract expiring on August 29, 2036, 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](http://BaronCapitalGroup.com) or call 1-800-99-BARON.*

From an absolute return and stock specific perspective, the quarter was a good illustration of why the slugging percentage is much more important than batting average in the investment business. We had 15 contributors against the same number of detractors; however, our winners were sized much larger than our losers, accounting for a 578bps gain and a win in absolute terms. Ten of our investments posted double-digit gains, while **Alphabet**, **Taiwan Semiconductor** (TSMC), **Monolithic Power Systems** (MPS), and **Amphenol** gained over 20% each (**Broadcom** just missed the cut with a 19.9% gain). Alphabet, NVIDIA, TSMC, and Broadcom contributed over 100bps each to absolute returns, while MPS chipped in with 88bps. On the other side of the ledger, even though we had 15 detractors, only **Intuit** (41bps), **LPL** (37bps), and **S&P Global** (28bps) cost us more than 20 ticks. During the quarter, share price declines ranged from 0.4% for **Arch** to 13.2% for Intuit, and we do not believe any of them are likely to result in permanent losses of capital.

*“History doesn’t repeat itself, but it often rhymes.”*

— Mark Twain

### Is this the internet bubble all over again?

We don’t know. More often than not, it is only obvious with the benefit of hindsight. But if it is – it sure feels more like 1996 or 1997 than it does like March of 2000. Netscape released its first internet browser – the Mosaic, in October of 1994, ushering in the internet era. Alan Greenspan, the former chairman of the Fed delivered his famous “Irrational Exuberance” speech in December of 1996, highlighting high valuation multiples amidst rising markets that were recording new highs. The S&P 500 Index more than doubled and the NASDAQ Composite Index quadrupled from that point on until the peak in March of 2000, or three and a half years later!

In October of 2022, almost exactly 28 years later, OpenAI released its ChatGPT to the public. It reached over one million registered users in the first five days and over 100 million registered users in the first two months. It will likely be remembered as the event that ushered in the age of AI.

Less than three years later (and similarly to 1996-1997) we are bombarded with almost daily announcements of massive, landscape-changing, infrastructure deals, except that the numbers are naturally bigger. Oracle reported a \$455 billion order backlog, dwarfing the \$106 billion cloud computing backlog announced by Alphabet just days earlier. **Meta** signed a \$14 billion deal with CoreWeave, **Broadcom** announced a \$10 billion order from a single new customer, **Microsoft** inked a \$19.4 billion deal with Nebius, and of course, **NVIDIA** trumped them all with a 10 GW, OpenAI deal translating to approximately half a trillion dollars. Simultaneously, **NVIDIA** invested \$100 billion into OpenAI, making the dot-com boom eerily familiar and spurring a flurry of memes reminding us of that era’s infinite money machines: **NVIDIA**→**OpenAI**→**Oracle**→**NVIDIA**.

**But... that’s where the similarities end.**

Bubbles are marked by “bubble thinking,” where investors stop questioning valuations and believe that an asset must be owned regardless of price. Today, we observe the opposite. Whether it is Liberation Day a few months ago, or a Fed-induced sell-off in 2022 still fresh in investors’ minds, market participants are clearly nervous and complaints about AI-driven irrational exuberance and excessive valuations are front and center across every financial publication. Ironically, valuations are far more rational and reasonable in 2025. In March of 2000, the seven largest “internet beneficiaries” traded at approximately 104 times earnings estimates<sup>4</sup>. The Roundhill Magnificent Seven ETF trades at about 32 times today. That’s not cheap, but hardly bubbleliciously expensive either. Cisco, the mega-cap company that was the poster child for internet enthusiasm saw its multiple expand from around 30 times in 1996-1997 to 126 times in March 2000, while Oracle, 2025’s version of Cisco, went from a P/E of approximately 30 times to 106 times. Today’s valuations are not in the same zip code. **NVIDIA** is at 32 times (lower than its five-year average of 39 times), **Alphabet** at 23 times, **Meta** at 24 times, both around market multiples, **Microsoft** at 32 times, and even **Oracle** is at 40 times. Obviously, valuations today should be higher compared to the late 1990s as interest rates are expected to be structurally lower, and the leaders of the digital economy today driven by platform economics have proven to be massively more profitable with stronger competitive advantages, and sustainably higher profit margins.

The dot-com bubble burst after a series of interest rate increases from the Fed which peaked at 6.5% in May of 2000, increasing the cost of capital and driving up borrowing costs for tech companies that had taken on heavy debt loads. In contrast, the Fed is likely to resume a rate-cutting cycle with the consensus expectations of 50bps of cuts in the December quarter. Stephen Miran, the odds-on favorite to ascend to the Fed chair post next year, is on record that interest rates in the mid-2% range are more appropriate today (compared to 4% to 4.25% currently), and so the path of interest rates in the foreseeable future is clearly pointing downward. With more than \$7 trillion sitting in money market funds facing lower yields due to lower interest rates, plenty of dollars could be heading into the stock market.

By the way, we would argue that **NVIDIA**’s financing the OpenAI deal by essentially taking a chunk of OpenAI’s equity in exchange for its chips is not being interpreted correctly by the critics. Sure, if OpenAI (valued at \$500 billion at its most recent funding) goes bankrupt and its equity becomes worthless, it would amount to \$100 billion discount in the price of the graphics processing units (GPUs). But what if OpenAI succeeds? What if it in fact becomes one of the winners in the chase for AGI, ASI, and the AI paradigm in general? In that scenario, it will have sold its GPUs at a significant premium. If forced to bet on OpenAI or against it today – we would most certainly bet ON it. This is not to be confused with Advanced Micro Devices’ (AMD) “Me too” deal with OpenAI where if successful, OpenAI will end up with 10% ownership of AMD, which of course, is entirely upside down.



Watching for tangible signs of AI demand and refreshing the lessons learned from the dot-com bubble is wise. But in our experience, bubbles do not get formed when everyone is anxious and valuation conscious. They certainly do not burst while the Fed is aggressively cutting interest rates, and the leading players are generating tens of billions of dollars in cash and are able to raise capital at will. In our experience the signs are more subtle, like your barber starting to give you stock tips, and your gardener handing in his notice because he is making more money day-trading the market.

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

Since its inception on December 29, 2017, the Fund has generated an annualized return of 16.6% (net of all fees and expenses) – 216bps higher than the Index and 171bps above the Morningstar Large Growth Category. Past performance is obviously no guarantee of future results, but if we continue to execute our process well, it should enable our investors to sleep well at night.

#### Top contributors to performance for the quarter

	Quarter End Market Cap (\$B)	Contribution to Return (%)
Alphabet Inc.	2,942.7	1.48
NVIDIA Corporation	4,533.9	1.27
Taiwan Semiconductor Manufacturing Company Limited	1,448.6	1.16
Broadcom Inc.	1,558.0	1.09
Monolithic Power Systems, Inc.	44.1	0.88

**Alphabet Inc.** is the parent company of Google, the world's largest search and online advertising company. Shares rose 37.4% during the quarter on strength in the company's core businesses, as well as in Google Cloud and Other Bets. Despite rising usage of AI competitors such as ChatGPT, both Google Search and YouTube delivered double-digit revenue growth year-over-year. Additionally, Google Search paid clicks increased compared to the prior year, Google's AI assistant Gemini reached the top spot on Apple's App Store, Gemini Pro 2.5 has topped the AI eval ranking LMArena<sup>5</sup>, and new AI-powered features for Chrome were announced. Cloud revenue growth also accelerated 32% year-over-year, driven by demand for AI cloud services. Meanwhile, the resolution of the Department of Justice's antitrust case concerning Google Search was better than feared, lifting an overhang on the stock. Long term, even though we continue to monitor the potential impact of AI chatbots on search, we believe Alphabet would emerge as an AI winner, leveraging its extensive AI talent, expertise, full stack offering (from hardware to software) and vast ecosystem. Specifically, the company's DeepMind

research and AI talent, coupled with the development of custom tensor processing units, provide a full-stack advantage for cost efficiently scaling its AI products, such as the Gemini models. This technological edge is magnified by its massive user base, often called the "billion user club" (across 9 products: Search, YouTube, Maps, Gmail, Chrome, Android, Play store, Photos, and Drive), which dramatically lowers customer acquisition costs and creates a powerful flywheel effect for attracting developers. Furthermore, Alphabet is uniquely positioned to dominate the future of AI-powered commerce, where its scaled surfaces like YouTube can use real-time object recognition to make virtually any piece of content shoppable, while also making content creation easier, and ads more personalized.

**NVIDIA Corporation** is a fabless semiconductor company specializing in compute and networking platforms for accelerated computing. Its dominant position in AI infrastructure with a comprehensive portfolio spanning GPUs, systems, software, and high-performance networking solutions, continues to drive strong performance. Shares rose 18.1% during the quarter as investor confidence in AI infrastructure expansion grew. NVIDIA reported mid-term visibility of tens of GWs in AI buildouts, with each GW representing an estimated \$35 billion total addressable market (TAM). During its last earnings call, the company announced that its long-term TAM expanded from \$1 trillion to between \$3 and \$4 trillion, while more recently announcing a 10 GW deal with OpenAI. As AI infrastructure investment accelerates, NVIDIA's leadership continues to strengthen through durable moats across compute silicon, networking, systems, software, and supply chain. We maintain a long-term constructive view, as leading AI labs show growing confidence in their ability to achieve human-level intelligence and deploy AI products in enterprise settings. All the industries bottlenecked by intelligence will leverage AI, unlocking trillions of dollars in value. Most of these AI workloads will be supported by large language models running in the datacenters. NVIDIA is uniquely positioned to power this transformation through its full-stack approach, spanning silicon, systems, software, and developer ecosystem, and hence its competitive moat continues to widen.

Semiconductor giant **Taiwan Semiconductor Manufacturing Company Limited** (TSMC) contributed to performance during the quarter as shares rose 23.6%, driven by robust demand for AI chips. We retain conviction that TSMC's technological leadership, pricing power, and exposure to secular growth markets, including AI and high-performance computing, automotive, 5G, and Internet of Things—will allow the company to sustain strong double-digit earnings growth over the next several years. We believe that while near-term uncertainty is heightened due to the evolving China-U.S. geopolitical relations, TSMC's competitive positioning in leading-edge semiconductor manufacturing remains unmatched with 90% market share (and 65% overall). TSMC's unique positioning in the market is underlined by the company's ability to raise prices as demand for its next generation nodes continues to be robust – this should also enable TSMC to offset any margin pressures from cost inflation or the headwinds from opening fabs in the U.S. at an accelerated pace. We also believe that TSMC will benefit from a long duration of growth as the adoption of AI continues to accelerate. Note that TSMC will benefit regardless of the ultimate market share split between NVIDIA, AMD, OpenAI, or



Anthropic and whether application-specific integrated circuits would garner any significant market share. It's the ultimate picks and shovels supplier to AI.

Top detractors from performance for the quarter

	Quarter End Market Cap (\$B)	Contribution to Return (%)
Intuit Inc.	190.4	(0.41)
LPL Financial Holdings Inc.	26.6	(0.37)
S&P Global Inc.	152.1	(0.28)
Texas Roadhouse, Inc.	11.0	(0.19)
Apollo Global Management, Inc.	76.7	(0.16)

**Intuit Inc.** is the leading provider of accounting software for small businesses and tax preparation software for individuals and tax professionals. Shares fell 13.2% in the third quarter after the company provided softer-than-expected revenue guidance for its Global Business Solutions segment, which management attributed to less aggressive QuickBooks pricing and slower growth from the Mailchimp marketing business. In addition, OpenAI announced a more advanced large language model, which the market perceived as a threat to application software broadly. Nevertheless, Intuit’s quarterly financial results exceeded Street expectations due to expansion of QuickBooks into larger and more complex mid-market customers, faster adoption of TurboTax Live, and cyclical strength from Credit Karma. Management expects 12% to 13% revenue growth and 14% to 15% EPS growth in the next fiscal year. We continue to own the stock due to Intuit’s strong competitive position and numerous growth opportunities as the company increasingly takes advantage of its unmatched data to infuse AI into its offerings.

Shares of **LPL Financial Holdings Inc.**, the largest independent broker-dealer in the U.S., fell 11.2% during the quarter amid several near-term headwinds. Expectations for accelerated interest rate cuts weighed on sentiment, as LPL earns income from floating rate client cash balances. However, the market’s long-term outlook on rates remains unchanged, leaving the firm’s cash earnings largely unaffected. LPL is also digesting its sizable acquisition of Commonwealth Financial Network, another independent broker-dealer. Although the deal could drive stronger growth over time, it currently offers limited near-term earnings upside and requires significant management attention to ensure successful integration. While investor sentiment has cooled given the lack of immediate catalysts and expectations for lower rates, we believe LPL’s long-term fundamentals and earnings power remain intact with a long runway for growth in the independent broker-dealer market.

Shares of rating agency and data provider, **S&P Global Inc.**, declined 7.5% in the quarter due to cautious commentary from a competitor about market demand and margins, leading to a broader pullback across information services stocks after industry bellwether FactSet mentioned “tight client budgets” and a “challenging environment” on its quarterly earnings call. However, these headwinds were previously discussed by the company, and management later clarified that these trends remain stable. FactSet also noted margin headwinds from a step-up in growth investments, which investors viewed as an indication of an AI spending cycle that could pressure margins across the broader information services sector. We view these concerns as overblown and expect S&P Global to report good results, driven by elevated debt issuance and tailwinds from the capital market recovery. We continue to own the stock due to the company’s long runway for growth and significant competitive advantages.

Portfolio Structure

The portfolio is constructed on a bottom-up basis with the quality of ideas and conviction level, rather than benchmark composition and weights, determining the size of each individual investment. Sector weights tend to be an outcome of the stock selection process and are not meant to indicate a positive or a negative view.

As of September 30, 2025, our top 10 positions represented 58.2% of the Fund, the top 20 represented 85.8%, and we exited the quarter with 30 investments.

IT and Financials represented 65.2% of the Fund, while Communication Services, Consumer Discretionary, Industrials, Real Estate, and Health Care represented another 33.6%, with the remaining 1.3% held in Consumer Staples (**Costco**) and cash.

Top 10 holdings

	Quarter End Market Cap (\$B)	Quarter End Investment Value (\$M)	Percent of Net Assets (%)
NVIDIA Corporation	4,533.9	42.6	8.1
Meta Platforms, Inc.	1,844.9	41.9	8.0
Amazon.com, Inc.	2,341.7	35.6	6.8
Broadcom Inc.	1,558.0	34.0	6.5
Taiwan Semiconductor Manufacturing Company Limited	1,448.6	31.8	6.1
Microsoft Corporation	3,850.0	28.6	5.5
Alphabet Inc.	2,942.7	28.3	5.4
Monolithic Power Systems, Inc.	44.1	22.6	4.3
Visa Inc.	672.4	21.3	4.1
S&P Global Inc.	152.1	18.9	3.6

## Recent Activity

During the third quarter, we reduced four existing positions: the life sciences tools companies **Thermo Fisher Scientific Inc.** and **Danaher Corporation**, the restaurant chain **Texas Roadhouse, Inc.**, and the aerospace and defense aftermarket parts supplier **TransDigm Group Incorporated**.

### Top net sales for the quarter

	Quarter End Market Cap (\$B)	Net Amount Sold (\$M)
Thermo Fisher Scientific Inc.	183.1	4.0
Danaher Corporation	142.0	3.6
Texas Roadhouse, Inc.	11.0	2.3
TransDigm Group Incorporated	74.3	0.9

## Outlook

### We believe we are still early in the days of AI

We own really high-quality businesses at reasonable valuations. Today, investors are focused on the TAM and are not differentiating very much. Furthermore, the Fed is likely to continue to cut interest rates for the foreseeable future, and the pace and the volume of AI deals and announcements is likely to accelerate. Some of our largest holdings are directly levered to AI and are well positioned to benefit from this. **NVIDIA**, **Broadcom**, and **TSMC** are the key infrastructure players that are driving the AI build-out at scale. **Amazon's AWS**, **Microsoft's Azure**, and **Alphabet's GCP** are the largest cloud hyperscalers that provide infrastructure services, while **MPS** and **Amphenol** are the system and component providers that we expect will be significant beneficiaries of this boom. **Meta** is both an early adapter with its AI-driven recommendation engine improving user engagement and advertiser returns, and a potential disruptor with its AI Labs stacked and loaded with the greatest AI talent money could buy. Still... if we are right that this is more akin to 1996-1997, we may have trouble keeping up with our growthier peers or growth benchmarks.

Because of our disciplined approach to risk management and general reluctance to take on investments even with comparably small probabilities of permanent loss of capital we may struggle to outperform when the fear of missing out far exceeds the fear of losing money. In that environment, it becomes difficult to buy or even to hold great businesses at reasonable prices. But we are not there yet.

As we do every quarter, we analyzed the change in the weighted average multiple of the Fund and the weighted average change in consensus expectations for 2025, for revenues, operating income and operating margins. In the third quarter, the weighted average multiple for the Fund declined by 0.7%. Since the Fund was up 5.6%, company fundamentals continued moving in the right direction. In terms of Street expectations for our holdings for 2025, revenue expectations increased 2.2% (weighted average), driven by a 7 point increase for our electrical systems and components supplier, Amphenol, a 5 point increase for Meta, and 3-4 point increase in expectations for each of NVIDIA, Broadcom, MPS, and LPL. Only two of our holdings saw their revenue expectations decline in the third quarter – **CME** and **TransDigm**. Operating income expectations also rose by 3.1% during the quarter, driven by strong upward revisions for Amphenol (+14.1%), Meta (+10.4%), **Welltower** (+6%), NVIDIA (+4.4%), and many others. Operating margin expectations similarly expanded by 35bps for the portfolio as a whole.

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

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

Sincerely,



Alex Umansky  
Portfolio Manager

<sup>1</sup> 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.

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

<sup>3</sup> Not annualized.

<sup>4</sup> Microsoft, Cisco, IBM, Intel, Lucent, Oracle and GE – average P/E on street estimates for next 12m of eps.

<sup>5</sup> <https://lmarena.ai/leaderboard>.

\* As of 9/30/2025, the annualized returns of the Morningstar Large Growth Category average were 21.73%, 28.11%, 13.71%, and 14.89% for the 1-, 3-, 5-year, and since inception (12/29/2017) periods, respectively.

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

**Risks:** The Fund invests primarily in equity securities, which are subject to price fluctuations in the stock market. In addition, because the Fund invests primarily in large-cap company securities, it may underperform other funds during periods when the Fund's securities are out of favor.

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

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

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

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

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

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

# Baron Fifth Avenue Growth Fund®

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



Alex Umansky  
Portfolio Manager

## Dear Baron Fifth Avenue Growth Fund Shareholder,

### Performance

Baron Fifth Avenue Growth Fund (the Fund) gained 5.7% (Institutional Shares) during the third quarter, lagging the 10.5% gain for the Russell 1000 Growth Index (R1KG) and the 8.1% gain for the S&P 500 Index (SPX), the Fund's benchmarks.

Year to date, the Fund is up 14.4% compared to gains of 17.2% and 14.8% for the Fund's benchmarks, respectively.

Three quarters of the year are in the books, and U.S. large-cap equity investors continue to enjoy nice gains. Since the start of 2023 when the rally began, the R1KG and SPX Indexes have gained 123% and 81%, respectively, while the Morningstar Large Growth Category was up 101%.<sup>\*</sup> The Fund returned 148% over the same period. After appreciating 14.5% during the most recent quarter, the Information Technology (IT) sector now represents a chunky 52.6% of R1KG and continues to be the main driver of its returns. In fact, since the start of 2023, the IT sector of R1KG is up 186%, compared to the 123% return for the Index.

Ever since digesting the Liberation Day tantrum the market has continued to grind higher, driven by the anticipated interest rate cuts by the Federal Reserve (the Fed) and of course, the daily barrage of AI announcements and deals. On September 9, Oracle announced a massive backlog of AI bookings which soared to \$455 billion (measured by Remaining Performance Obligations), an increase of 359% year-over-year. The news overshadowed the company's miss of its quarterly revenues and earnings per share estimates and its stock surged 36%, adding approximately \$245 billion to its market capitalization. Less than two weeks later, on September 22, NVIDIA announced a \$100 billion investment into OpenAI, which committed to purchase and deploy enough NVIDIA chips to power

### Annualized performance (%) for period ended September 30, 2025

	Fund Retail Shares <sup>1,2</sup>	Fund Institutional Shares <sup>1,2,3</sup>	Russell 1000 Growth Index <sup>1</sup>	S&P 500 Index <sup>1</sup>
QTD <sup>4</sup>	5.78	5.72	10.51	8.12
YTD <sup>4</sup>	14.29	14.35	17.24	14.83
1 Year	27.58	27.76	25.53	17.60
3 Years	31.85	32.13	31.61	24.94
5 Years	7.88	8.13	17.58	16.47
10 Years	15.29	15.57	18.83	15.30
15 Years	14.49	14.78	17.36	14.64
Since Inception (4/30/2004)	10.53	10.73	12.85	10.88

10 gigawatts (GWs) of compute, worth approximately *half a trillion dollars*.<sup>5</sup> While we have been anticipating this accelerating pace of AI investments, we along with the rest of the market participants were caught a bit off guard by this massive scale. Add to this that company earnings have generally been better than expected, with more positive earnings revisions, and you have pretty good ingredients for the markets continuing to move higher.

Though the Fund gained 5.7%, it was a challenging quarter from a relative return perspective. Most of the shortfall was due to poor stock selection in IT, Communication Services, and Consumer Discretionary, as well as an underweight to Magnificent Seven, which appreciated 15.5% as a group and accounted for 77% of R1KG's 10.5% quarterly gain. Not owning Apple cost us 137bps. A 410bps overweight to Health Care and a 774bps underweight

*Performance listed in the table above is net of annual operating expenses. The gross annual expense ratio for the Retail and Institutional Shares as of January 28, 2025 was 1.03% and 0.76%, respectively, but the net annual expense ratio was 1.00% and 0.75% (net of the Adviser's fee waivers), respectively. The performance data quoted represents past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original cost. The Adviser waives and/or reimburses certain Fund expenses pursuant to a contract expiring on August 29, 2036 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.*



to IT also hurt, while an underweight to Industrials and lack of investments in Consumer Staples, Real Estate, Energy, Utilities, and Materials contributed modestly to narrow the gap.

From an absolute return and stock specific perspective, we had 19 contributors against 12 detractors, which was too many losers and not enough winners to keep up with the R1KG's double-digit gain. Ten investments contributed at least 20bps to absolute returns, with NVIDIA, **Shopify**, **Tesla**, and **Alphabet** contributing over 100bps each, while **Taiwan Semiconductor** (TSMC) "chipped" in (pun intended) with 91bps. Unfortunately, we also had eight detractors costing us 20bps or more, and although we had no 100bps hits, **Trade Desk**, **Intuitive Surgical**, and **MercadoLibre** detracted between 85bps and 55bps each.

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*"History doesn't repeat itself, but it often rhymes."*  
— Mark Twain

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### Is this the internet bubble all over again?

We don't think so. One does not have to be a student of history to recognize some obvious similarities. On October 13, 1994, Netscape released its first browser – the Mosaic, which quickly captured the imagination of the tech community. It was the very first stock I had recommended to my first employer's head of equity growth investing when the company filed to go public in August of 1995. "But they don't make any money!" he said in the closest possible imitation to Mr. Wonderful. "Would you bet your bonus on it?" – "Yes, sir." "Would you bet your career on it?" – "Yes, sir!" As a junior tech analyst, I wasn't expecting much of either, and I was the only one on the desk who saw no connection between being a public company and having actual profits. The five million share offering was expected to price at \$14 per share, but the underwriters had never seen this much demand, and so they priced it 100% above that, at \$28. The stock opened at \$71, peaked at \$74.75 before closing the first day of trading at \$58.25 and marking the beginning of the dot-com era. Many people started writing about how the internet will change the world and our lives, but few, if any, were able to articulate exactly how. In early 1996, Bill Clinton signed into the law the Telecom deregulation act, catalyzing a massive investment cycle into the infrastructure layer (fiber). But of course, there was no e-commerce yet, no social media, no streaming, no smart phones, no cloud computing, etc. – the application layer had not been built out yet. In December of 1996, Alan Greenspan first talked about "irrational exuberance" asking "how one could know when the stock market had become too excited and was potentially overvalued," leading to speculation about the dot-com bubble that appeared to be growing at the time. Of course, grow it did, and it did not stop growing until the NASDAQ Composite Index reached a high of \$5,049 in March of 2000 – 557% higher than it was on October 13, 1994 (\$768) for a compounded annual return of 41.7%.

Almost exactly 28 years later, in October of 2022, OpenAI released to the public ChatGPT. It reached over one million registered users in the first five days and over 100 million registered users in the first two months.

Less than 3 years later... OpenAI is estimated to have \$13 billion in annual recurring revenues and a valuation of \$500 billion with an investor base highlighted by Microsoft, Softbank, and NVIDIA, making it the most valuable private company in the world. As soon as Oracle gave the AI trade a boost with its unexpected \$455 billion order backlog, Alphabet said its own cloud-computing business has a \$106 billion backlog, while Microsoft announced a \$19.4 billion deal with Nebius to get more capacity. NVIDIA followed with its own order of up to half a trillion dollars and Broadcom announced a \$10 billion order from a new customer (most likely OpenAI). Add in an IPO frenzy (remember the talking dog sock puppet of Pets.com?) with companies that have yet to make a profit enjoying strong public debuts and the NASDAQ Composite Index hitting new record highs every week and the parallels to 2000 may start to feel eerily familiar.

### But... that's where the similarities end.

Bubbles are marked by "bubble thinking," where investors stop questioning valuations and believe that an asset must be owned regardless of price. Today, we observe the opposite. Whether it is Liberation Day a few months ago, or a Fed-induced sell-off in 2022, still fresh in investors' minds, market participants are clearly nervous and complaints about AI-driven irrational exuberance and excessive valuations are front and center across every financial publication we see. Ironically, valuations are far more rational and reasonable in 2025. In March of 2000, the seven largest "internet beneficiaries" traded at approximately 104 times earnings estimates<sup>6</sup>. The Roundhill Magnificent Seven ETF trades at about 32 times. That's not cheap, but hardly bubbleliciously expensive either. Cisco, the mega-cap company that was the poster child for internet enthusiasm saw its multiple expand from around 30 times in 1996-1997 to 126 times in March 2000, while Oracle, 2025's version of Cisco went from a P/E of approximately 30 times to 106 times. Today's valuations are not in the same zip code. NVIDIA is at 32 times (lower than its five-year average of 39 times), Alphabet is at 23 times, Meta at 24 times, both around market multiples, Microsoft at 32 times, and even Oracle is at 40 times. Obviously, valuations today should be higher compared to the late 1990s as interest rates are expected to be structurally lower, and the leaders of the digital economy today driven by platform economics have proven to be massively more profitable with stronger competitive advantages, and sustainably higher profit margins.

The dot-com bubble burst after a series of interest rate increases from the Fed, which peaked at 6.5% in May of 2000, increasing the cost of capital and driving up borrowing costs for tech companies that had taken on heavy debt loads. In contrast, the Fed is likely to resume a rate-cutting cycle with the consensus expectations of 50bps of cuts in the December quarter. Stephen Miran, the odds-on favorite to ascend to the Fed chair post early next year, is on the record that interest rates in the mid-2% range are more appropriate today (compared to 4% to 4.25% currently), and so the path of interest rates in the foreseeable future is clearly pointing downward. With more than \$7 trillion sitting in money market funds facing lower yields due to lower interest rates, plenty of dollars could be heading into the stock market.



Watching for tangible signs of AI demand and refreshing the lessons learned from the dot-com bubble is wise. But in our experience, bubbles do not get formed when everyone is anxious and valuation conscious. They certainly do not burst while the Fed is aggressively cutting interest rates, and the leading players are generating tens of billions of dollars in cash AND are able to raise capital at will. In our experience the signs are more subtle, like your barber starting to give you stock tips, and your gardener handing in his notice because he is making more money day-trading the market.

#### Top contributors to performance for the quarter

	Quarter End Market Cap (\$B)	Contribution to Return (%)
NVIDIA Corporation	4,533.9	2.02
Shopify Inc.	193.0	1.42
Tesla, Inc.	1,478.8	1.27
Alphabet Inc.	2,942.7	1.22
Taiwan Semiconductor Manufacturing Company Limited	1,448.6	0.91

**NVIDIA Corporation** is a fabless semiconductor company specializing in platforms for accelerated computing. Its dominant position in AI infrastructure with a comprehensive portfolio spanning graphics processing unit (GPUs), systems, software, and high-performance networking solutions, continues to drive strong performance. Shares rose 18.1% during the quarter as investor confidence in AI infrastructure expansion grew. NVIDIA reported mid-term visibility of tens of GWs in AI buildouts, with each GW representing an estimated \$35 billion total addressable market (TAM). During its last earnings call, the company announced that its long-term TAM expanded from \$1 trillion to between \$3 and \$4 trillion, while more recently announcing a 10 GW deal with OpenAI. As AI infrastructure investment accelerates, NVIDIA's leadership continues to strengthen through durable moats across compute silicon, networking, systems, software, and supply chain. We maintain a long-term constructive view, as leading AI labs show growing confidence in their ability to achieve human-level intelligence and deploy AI products in enterprise settings. All the industries bottlenecked by intelligence will leverage AI, unlocking trillions of dollars in value. Most of these AI workloads will be supported by large language models running in the datacenters. NVIDIA is uniquely positioned to power this transformation through its full-stack approach, spanning silicon, systems, software, and developer ecosystem, and hence its competitive moat continues to widen.

**Shopify Inc.** is a cloud-based software provider for multi-channel commerce. Shares rose 28.6% during the quarter as the company continued to deliver stellar results, with second quarter revenue up 30% year-over-year in constant currency, reflecting sustained market share gains driven by 29% growth in gross merchandise volume (GMV). Growth was broad based across Shopify's core e-commerce merchant base and supported by successful expansion into offline, international, and business-to-business channels, which grew 29%, 42%, and 101%, respectively.

Shares also benefited from developments in agentic commerce, underscored by Shopify's recently announced partnership with OpenAI, the owner of ChatGPT. We believe the company's maturing product suite is becoming increasingly attractive to merchants of all sizes and geographies, enabling it to further expand its addressable market. We remain shareholders due to Shopify's strong competitive positioning, innovative culture, and long runway for growth, as it still holds less than a 2% share of the global commerce market.

**Tesla, Inc.** designs, manufactures, and sells fully electric vehicles (EVs), related software and components, solar products, and energy storage solutions. Shares rose 40.0% during the quarter due to three key catalysts. First, Tesla's core automotive business is showing renewed strength, with record third quarter delivery volumes across major markets following an enthusiastic consumer response to a new Model Y variant in China and the expiry of EV credits in the U.S. Second, investor confidence in the company's long-term vision and in Elon Musk's leadership was reinforced by a newly proposed CEO compensation package and nearly \$1 billion in personal share purchases by Musk. Finally, Tesla's AI initiatives continue to advance rapidly, highlighted by the Austin robotaxi network's expansion from 20 to over 170 square miles since its June 2025 launch and plans for rollouts to additional cities. The Full Self-Driving version 14 release is also expected to deliver a major leap in capability for the company's consumer-owned fleet, while humanoid robot production is anticipated next year as Tesla finalizes its latest Optimus design.

#### Top detractors from performance for the quarter

	Quarter End Market Cap (\$B)	Contribution to Return (%)
The Trade Desk	24.0	(0.85)
Intuitive Surgical, Inc.	160.3	(0.59)
MercadoLibre, Inc.	118.5	(0.55)
ServiceNow, Inc.	191.4	(0.34)
Atlassian Corporation	41.9	(0.33)

**The Trade Desk** is the leading internet advertising demand-side platform (DSP), enabling agencies to efficiently purchase digital advertising across Connected TV (CTV), PC, mobile, and online video channels. Shares declined 31.9% during the quarter as the company reported in-line earnings relative to conservative guidance amid a strong quarter for peers in digital advertising. Trade Desk's TAM remains large and underpenetrated, but advertisers may take longer to shift towards biddable programmatic CTV advertising and could be drawn to lower fees offered by competitors. We continue to monitor the competitive landscape, particularly as Amazon enters the market more meaningfully with its rapidly improving DSP offering. Even so, we believe Trade Desk remains the market leader. Execution has improved in managing the rollout and client adoption of the company's upgraded Kokai platform, and operations have stabilized following organizational changes in late 2024. As growth has moderated going forward, we have significantly reduced our position.

**Intuitive Surgical, Inc.** manufactures the da Vinci robotic surgical system for minimally invasive surgical procedures. Shares detracted from performance in the quarter declining 17.7%, due to system placements in the U.S. falling short of investor expectations. In addition, investors are concerned about financial pressure on hospital customers resulting from cuts to Medicaid in the One Big Beautiful Bill Act. Finally, concerns emerged about the use of reprocessed instruments from third parties with Intuitive's robotic systems. We believe it is unlikely that hospitals would be willing to take a risk using third party reprocessed instruments because of the potential for quality, reliability, and liability issues. We continue to believe Intuitive has a long runway for growth driven by the continued adoption of the company's robotic systems in an expanding number of surgical procedures.

**MercadoLibre, Inc.**, the leading e-commerce marketplace across Latin America, detracted from performance as shares declined 10.6% due to macro and competitive pressures and despite strong quarterly results across GMV – up 21% year-on-year, total payments volume – up 39%, and revenues – up 34%. On the macro side, the sharp sell-off in Argentine assets weighed heavily on the shares given that Argentina represents roughly 20% of MercadoLibre's revenues and 40% of direct group contribution. The Argentine business, which had been a source of recent growth upside and upward forecast revisions, now faces potential downside as consumer confidence and currency stability have deteriorated. At the same time, Amazon, one of MercadoLibre's largest competitors in the region, announced new promotional rates for sellers in Brazil, reinforcing concerns around intensifying competition in e-commerce. While these factors drove near-term pressure, we maintain conviction in MercadoLibre's long-term opportunity: the company remains uniquely positioned to capture a large share of Latin America's underpenetrated e-commerce and fintech markets, with scale, brand trust, and a powerful ecosystem that continue to provide significant competitive advantages.

## Portfolio Structure

The Fund is constructed on a bottom-up basis with the quality of ideas and level of conviction playing the most significant role in determining the size of each investment. Sector weights tend to be an outcome of the portfolio construction process and are not meant to indicate a positive or a negative view.

As of September 30, 2025, the top 10 holdings represented 60.3% of the Fund's net assets, and the top 20 represented 87.0%. The total number of investments in the portfolio was 31 at the end of the third quarter.

IT, Consumer Discretionary, Communication Services, Health Care, and Financials made up 93.8% of net assets. The remaining 6.2% was made up of **SpaceX** and **GM Cruise**, two of our three private investments classified as Industrials (the other one, **xAI**, is included in Communication Services), and cash.

## Top 10 holdings

	Quarter End Market Cap (\$B)	Quarter End Investment Value (\$M)	Percent of Net Assets (%)
NVIDIA Corporation	4,533.9	96.9	12.7
Meta Platforms, Inc.	1,844.9	65.4	8.6
Amazon.com, Inc.	2,341.7	62.4	8.2
Shopify Inc.	193.0	39.6	5.2
Taiwan Semiconductor Manufacturing Company Limited	1,448.6	37.6	4.9
Alphabet Inc.	2,942.7	37.5	4.9
Tesla, Inc.	1,478.8	33.0	4.3
MercadoLibre, Inc.	118.5	32.7	4.3
Cloudflare, Inc.	74.8	29.3	3.8
KKR & Co. Inc.	115.8	25.3	3.3

## Recent Activity

During the third quarter, we initiated a small investment in the collaborative design platform, **Figma**. We also added to four existing holdings: the global alternative asset manager, **KKR**, the leading search and advertising company, **Alphabet**, the leading global semiconductor manufacturer, **Taiwan Semiconductor**, and the cybersecurity platform, **CrowdStrike**. We funded the purchases by reducing seven other holdings where we chose to actively manage position sizing and by exiting our investments in **GitLab** and **Mobileye**.

## Top net purchases for the quarter

	Quarter End Market Cap (\$B)	Net Amount Purchased (\$M)
KKR & Co. Inc.	115.8	7.1
Alphabet Inc.	2,942.7	6.6
Taiwan Semiconductor Manufacturing Company Limited	1,448.6	2.3
CrowdStrike Holdings, Inc.	123.1	2.2
Figma, Inc.	25.4	1.6

We initiated a small position in **Figma, Inc.**, a software business that offers both designers and non-designers (designers work alongside developers, product managers, researchers, marketers, writers, and other non-designers) a collaborative product to ideate, visualize, build, and ship software – to help companies deliver the best possible user interface in order to optimize user experience and overall customer satisfaction. With the expansion of its product portfolio over the last few years, the company has broadened its focus from traditional designers to non-designers creating a platform that helps teams across companies of all sizes share and explore ideas, align on a vision, visualize concepts, and translate them into coded products – all on a single, connected, AI-powered platform that collaborators around the world can access with a web browser (think "Google Docs" for everything that comprises software design).

Figma's business model is 100% subscription based, with a land and expand approach to the over \$30 billion TAM comprised of the global workforce engaged in software design. Figma has been taking share over the last decade and has become the dominant vendor in the design space, enabling it to grow well above market – thanks to the quality of its offering, replacing a variety of point solutions across the design and collaboration landscape. The company generated \$749 million in subscription revenue, over 48% year-over-year with 30% adjusted free cash flow margins in 2024. The company's unique product helped it reach an 80% market share within its core design end market (around 85% of revenue) with the key longer-term opportunity to extend into attractive non-designer adjacencies. We believe the company also has a significant opportunity in AI due to the accelerated pace of software development, the growing number of surfaces for creation, and the fact that humans would always be visual creatures, increasing the importance of design as the differentiator for customers. Dylan Field, Figma's Co-Founder and CEO, further emphasized this during the company's second quarter earnings call: *"Design is now the differentiator. It's how companies win or lose. And our goal at Figma is to build and expand our platform so we can do even more to unleash the taste and craft of our customers who together are shaping and defining this next era of digital products."*

We increased the size of our position in **KKR & Co. Inc.**, as we took advantage of price volatility towards the end of the quarter. KKR is a leading alternative asset manager. The company manages \$686 billion in assets across a diverse range of strategies in Private Equity (PE), Private Credit, and Real Assets. The company is in the middle of a three-year fundraising super-cycle, in which it expects to raise over \$300 billion in new capital. KKR is a prime example of the shifting trends in the alternative asset management industry. Historically, the industry was characterized as buyout PE, typically in North America and Europe, while nowadays, alternative asset classes have significantly expanded including Real Estate, Infrastructure, and Private Credit. We think KKR will continue to be an industry leader as it has successfully diversified its business beyond PE into these other asset classes, and now boasts three scaled businesses (PE, Private Credit and Real Assets) that are each over \$150 billion in assets under management and continuing to grow. Alongside the Asset Management business which generates highly recurring fees, KKR also has a large insurance company, Global Atlantic, which participates in the growing market for retirement assets, and a collection of long-term holdings in private business called Strategic Holdings.

We think KKR is poised to leverage its scale, strong track record, and relationships to continue building on this foundation as it scales towards \$1 trillion in assets. This includes a more nascent opportunity in Private Wealth, where KKR is partnering with existing large firms such as Capital Group to rapidly scale its distribution capabilities. This is an investor class that has historically not been well served by alternative asset managers (aside from ultra-high-net-worth) and so presents a large growth potential, with retail assets estimated to be \$150 trillion. We took advantage of a sell-off in the stock to add to our position, which was related to some concerns over potential weakness in Private

Credit given bankruptcy headlines around one or two companies, although our belief is that these companies' debt was not actually underwritten in the private markets. As compared to peers, we think KKR has arguably the most diverse earnings stream given its scale with multiple business models helping drive earnings growth, which we think gives the company many ways to win over the long term, across macroeconomic cycles.

We also continued adding to the parent company of Google, the world's largest search and online advertising company, **Alphabet Inc.** While the company continues to hold high market share in search, it also owns the world's leading video platform, YouTube, a leading hyperscaler, Google Cloud, a leading ad network, and optionality in a number of smaller subsidiaries like the autonomous vehicle company, Waymo.

Generative AI models like ChatGPT have introduced a bear case for Alphabet for the first time in over 20 years, centering on the potential disruption of its core search business and massive advertising revenue stream. While Google has long held a near-monopolistic position in the search engine market, the rise of LLMs like ChatGPT could lead to a shift in user behavior and a potential erosion of Google's long-standing lead. For long-term investors, the central risk is that generative AI-powered interfaces could fundamentally change how users seek information, bypassing traditional search results and threatening Alphabet's most profitable advertising engine. However, Google has thus far only seen growth in the number of search queries supported by AI overviews and AI mode, which have also expanded the addressable opportunity to longer and more complex queries. Additionally, Google has seen paid clicks reaccelerate despite the rise of ChatGPT.

More broadly, the bull case for Alphabet is multifaceted, leveraging its extensive AI expertise and vast ecosystem. Firstly, Alphabet's DeepMind is a leader in AI research, with a superior talent pipeline and retention, allowing the company to attract top-tier talent and convert research into products at scale – see the recent Veo 3 video generation model release or the significant progress that Alphabet has made with its Gemini models. Second, in contrast to rivals like Meta, Alphabet's diversified revenue streams and hardware investments, such as its custom tensor processing units, provide a crucial advantage. By developing its own full-stack AI infrastructure, from hardware to applications, Alphabet gains superior price-to-performance relative to general-purpose chips like GPUs. This approach enables a more cost-efficient scaling of AI workloads all else being equal. Third, Alphabet's scaled user aggregation surfaces, offers a significant competitive moat. The company has a "billion user club," with nine software products boasting over a billion users each, including Android, Chrome, YouTube, Gmail, and Google Maps. This massive, existing user base provides a substantial advantage by effectively lowering customer acquisition costs for new AI products. Critically, this scaled user base is a powerful magnet for developers, who are incentivized to build applications that integrate with Google's AI engine to reach a vast audience. This flywheel effect – where users attract developers, and a robust app ecosystem attracts more users – strengthens Alphabet's position at the heart of the AI landscape. A fourth forward-looking driver is the coming evolution in

commerce, in which every piece of content becomes "shoppable." With its scaled surfaces like YouTube and Google Maps, combined with advanced AI, Alphabet is uniquely positioned to capitalize on this shift. For instance, AI models could recognize products in real-time within videos or images, and via integrations with merchants, enable them to be shoppable just in time – this should strengthen Alphabet’s positioning in commerce.

Lastly, the recent resolution in the Department of Justice case against Alphabet, which was close to a best-case scenario, removes a significant overhang from the stock. Getting everything Alphabet has to offer across its platform and ecosystem at a 23 times P/E multiple is attractive for long-term investors in our view.

We continued to build our position in **Taiwan Semiconductor Manufacturing Company Limited (TSMC)**. We believe that while near-term uncertainty is heightened due to the developing China-U.S. geopolitical relations, TSMC’s competitive positioning in leading-edge semiconductor manufacturing remains unmatched with a 90% market share (and 65% overall). TSMC’s unique positioning in the market is underlined with the company’s ability to raise prices as demand for its next generation nodes continues to be robust – this should also enable TSMC to offset any margin pressures from cost inflation or the headwinds from opening fabs in the U.S. at an accelerated pace. We also believe that TSMC will benefit from a long duration of growth as the adoption of AI continues to accelerate. Note that TSMC will benefit regardless of the ultimate market share split between NVIDIA, Advanced Micro Devices, OpenAI, or Anthropic and whether application-specific integrated circuits would garner any significant market share. It’s the ultimate picks and shovels supplier to AI.

Lastly, we added to our position in the leading cybersecurity platform, **CrowdStrike Holdings, Inc.** A year post the famous outage that grounded planes and impacted a broad array of the company’s customers, we can conclude that management has done an excellent job in the aftermath of the outage. CrowdStrike is now seeing a reacceleration in net new annualized recurring revenues driven by strong adoption of its new Flacon Flex offering, which enables customers to use multiple modules from the company without having to go back to procurement. Additionally, customer care packages provided in the aftermath of the outage also incentivized customers to use more of the platform, planting seeds for broader adoption over time.

We visited CrowdStrike’s West Coast office in September, to spend some time with management and drill down into the emerging growth areas and ability to consolidate more wallet share. We came away incrementally positive on several of the products, including Next-Gen SIEM (security information and event management), Cloud Security and Identity, as well as their opportunity in Security for AI. A week later we spent three days at Falcon, the company’s annual user conference, speaking with customers and partners, and attending its Investor Day. Key takeaways include: i) customer trust as high as we’ve seen; ii) CrowdStrike’s platform leverages its market leading end point product and best-in-class threat prevention capability powering its Threat Graph that collects and correlates the data across its large customer base, adding key

contextual awareness, and; iii) utilizing this across a large and growing set of products on the back of strong innovation and a rapid customer feedback loop, helps customers plan and spend more with CrowdStrike over time. We continue to view CrowdStrike as one of the long-term winners in cyber and a core long-term durable grower with strong margin and cash flow generation.

Top net sales for the quarter

	Quarter End Market Cap or Market Cap When Sold (\$B)	Net Amount Sold (\$M)
Shopify Inc.	193.0	24.3
Eli Lilly and Company	722.1	11.4
The Trade Desk	24.0	8.4
GitLab Inc.	7.8	6.3
Mobileye Global Inc.	11.5	5.8

Outlook

Linear thinking versus exponential growth

In September, we spent a week on the West Coast meeting with management teams of public companies, early and later stage private companies, entrepreneurs, venture capital (VC) investors, and AI researchers. Our goal during these trips is to absorb as much information as we can, test our hypotheses, search for disconfirming evidence (prompting us to update our thinking) and build relationships with companies. It felt different this time than it did even six months ago and even more so than it did last September. The excitement in the air was palpable! We came away from the trip with several observations:

- We are still very early in the days of AI - enterprise adoption remains relatively low as AI talent is very expensive and hard to find/procure. Production-grade solutions that are easy to use are not generally available yet. We expect this to change over the next few years as the application layer of AI starts to mature and as the cost of using AI continues to drop. According to International Data Corporation, spending on agentic AI is forecast to rise to around \$1.3 trillion over the next four years. Agentic AI adoption is similarly early - we expect this to change as the accuracy of models continues to improve (agentic workflows require a much higher accuracy due to the compounding error dynamic in more complex and lengthy workflows).
- Nevertheless, AI is already having a growing tangible impact across the ecosystem - it is a huge driver of VC investment with more than 50% of total global VC investment year-to-date going towards startups in AI.<sup>7</sup>
- Proprietary data continues to be a key ingredient in advancing AI and should serve as a competitive moat driven by a data feedback loop as customer data helps improve the product with the use of AI, driving greater product differentiation, which in turn drives market share gains, more customer data, and so on. We continue to expect winner-take-most dynamics for companies with proprietary data to accelerate.



- On the other hand, in segments in which there is no proprietary data and in which differentiation has mostly been driven by unique product features, we expect AI to reduce barriers to entry and competition to intensify - as imitating the latest features of competitors becomes easier and faster to do.

In addition to this trip, the quarterly earnings reporting season offered a flurry of data points supporting the significant opportunity behind AI in terms of both productivity enhancements and incremental revenues:

- **Meta** reported quarterly revenue growth of 22% and highlighted AI as a tailwind to engagement and to advertiser's return on ad spend, prompting the company to increase 2026 estimated capex expectations to \$100 billion, \$30 billion higher than Wall Street expectations. We thought Mark Zuckerberg's comments regarding "Early glimpses of AI improving itself" were particularly insightful.<sup>8</sup> If AI can improve itself, a self-reinforcing flywheel can emerge resulting in super-intelligence.
- Andy Jassy, the CEO of **Amazon**, described AI as the "*Biggest technology transformation in our lifetimes. Will change customer experience. Will change how we work - code, analyze, research, business processes, customer service. Every area will be impacted meaningfully by AI*".<sup>9</sup> This is the company that invented Cloud Computing!
- **Alphabet** reported a doubling in AI tokens in the last two months alone.<sup>10</sup> "AI is positively impacting every part of the business." Later, in a separate blog, Alphabet announced that AI will be deeply embedded into YouTube, enabling both video creation with their excellent Veo 3 model, and making videos shoppable.<sup>11</sup> AI would help video creators and brands tag products, significantly expanding the monetization potential of YouTube. Meantime, the latest Gemini model climbed to #1 in the LLM comparison leaderboard across a variety of different tasks.<sup>12</sup>
- Microsoft's Azure revenue growth accelerated to 39% with demand continuing to outstrip supply despite the company bringing on 2 GW of new DC capacity online just in the last 12 months. Microsoft's AI foundry used over 500 trillion tokens in the last quarter, up 700% year-over-year.<sup>13</sup>
- **NVIDIA** now expects \$3 to \$4 trillion in infrastructure spend over the next five years as demand is proving to be higher than the recent expectations presented to investors during their GTC conference in the spring.<sup>14</sup> NVIDIA also unveiled its next generation Rubin CPX, an inference-focused GPU that offers 7.5 times more performance than the current generation GB300 NVL72 GPU. This GPU is optimized for the prefill phase of inference and is great for AI video generation and long context windows. Since the prefill phase of inference is highly compute-heavy (and yet memory light), using a regular GPU that has a lot of expensive HBM memory is wasteful. Similarly, running the decode phase, which is memory-heavy on a regular GPU, wastes compute resources. Disaggregating the two processes enables a leap forward in performance<sup>15</sup>.

- **CrowdStrike** described that while the cloud increased their opportunity by 10 times, they expect agentic AI to increase it again... by 100 times as the sheer volume of assets to be protected and the complexity of protecting them is increasing exponentially.<sup>16</sup>

This is a non-exhaustive list of recent developments - just over the last three months. Human beings tend to perceive and process change linearly, i.e., incrementally. But as disruptive change investors we know that tectonic shifts in computing platforms often result in changes that are exponential. For example, the length of software engineering tasks AI could do has been doubling every seven months, for the past six years now.<sup>17</sup> That's around 10 doubles or 1,000 times better with a similar pace of progress identified across a wide range of other tasks.<sup>18</sup> Can you imagine what another 1,000 times in capability would mean for AI over the next six years? To what extent would it be able to make information workers more productive? Accelerate R&D? Discover new materials and sources of energy? New medicines? Cure cancer? What is the value of that to humanity?

The very nature of these questions and some of the behavior that we see in the markets is starting to resemble some aspects of the internet bubble. But with the benefit of hindsight, whoever was the most bullish about the internet in the year 2000 was still not bullish enough! There were no smart phones, no tablets, no Wi-Fi, no Google, no Facebook, no TikTok, no cloud, and no video streaming. The internet has become much more important than even the biggest optimists believed. There is little doubt in our minds that 25 years from now, AI will turn out to be even more important and even more value-creating than we currently imagine.

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

We are optimistic about the long-term prospects of the companies in which we are invested and continue to search for new ideas and investment opportunities while remaining patient and investing only when we believe target companies are trading at attractive prices relative to their intrinsic values.

Sincerely,



Alex Umansky  
Portfolio Manager



- <sup>1</sup> The **Russell 1000® Growth Index** measures the performance of large-sized U.S. companies that are classified as growth. The **S&P 500 Index** measures the performance of 500 widely held large-cap U.S. companies. All rights in the FTSE Russell Index (the “Index”) vest in the relevant LSE Group company which owns the Index. Russell® is a trademark of the relevant LSE Group company and is used by any other LSE Group company under license. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. The Fund includes reinvestment of dividends, net of withholding taxes, while the Russell 1000® Growth Index and S&P 500 Index include reinvestment of dividends before taxes. Reinvestment of dividends positively impacts the performance results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly in an index.
- <sup>2</sup> The performance data in the table does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares.
- <sup>3</sup> 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.
- <sup>4</sup> Not annualized.
- <sup>5</sup> Based on NVIDIA's 2Q26 earnings call, every 1GW is worth \$50 billion to \$60 billion.
- <sup>6</sup> Compared to the S&P 500 on next 12m of eps.
- <sup>7</sup> <https://www.mittrade.com/insights/news/live-news/article-3-1170528-20251003#:~:text=Venture%20capital%20funding%20for%20AI,according%20to%20data%20provider%20PitchBook>.
- <sup>8</sup> Meta's 2Q25 results.
- <sup>9</sup> Amazon's 2Q25 results.
- <sup>10</sup> Alphabet's 2Q25 results.
- <sup>11</sup> <https://blog.youtube/news-and-events/earn-more-with-brand-partnerships/>.
- <sup>12</sup> <https://lmarena.ai/leaderboard>.
- <sup>13</sup> Microsoft's 4Q25 results.
- <sup>14</sup> NVIDIA's 2Q25 results.
- <sup>15</sup> <https://nvidianews.nvidia.com/news/nvidia-unveils-rubin-cpx-a-new-class-of-gpu-designed-for-massive-context-inference>.
- <sup>16</sup> CrowdStrike Investor Day, 2025.
- <sup>17</sup> <https://metr.org/blog/2025-03-19-measuring-ai-ability-to-complete-long-tasks/>.
- <sup>18</sup> <https://openai.com/index/gdpval/>.
- \* As of 9/30/2025, the annualized returns of the Morningstar Large Growth Category average were 21.73%, 13.71%, and 15.90% for the 1-, 5-, and 10-year periods, respectively.

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

**Risks:** The Fund invests primarily in large cap equity securities which are subject to price fluctuations in the stock market. Even though the Fund is diversified, it may establish significant positions where the Adviser has the greatest conviction. This could increase volatility of the Fund's returns.

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

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

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

**Alpha** measures the difference between a fund's actual returns and its expected performance, given its level of risk as measured by beta. **Beta** explains common variation in stock returns due to different stock sensitivities to market or systematic risk that cannot be explained by the US Country factor. Positive exposure indicates high beta stock. Negative exposure indicates low beta stock. **Price/Earnings Ratio or P/E (next 12-months):** is a valuation ratio of a company's current share price compared to its mean forecasted 4 quarter sum earnings per share over the next twelve months. If a company's EPS estimate is negative, it is excluded from the portfolio-level calculation. **EPS Growth Rate (3-5-year forecast)** indicates the long term forecasted EPS growth of the companies in the portfolio, calculated using the weighted average of the available 3-to-5 year forecasted growth rates for each of the stocks in the portfolio provided by FactSet Estimates. The EPS Growth rate does not forecast the Fund's performance.

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# Baron Opportunity Fund<sup>®</sup>

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



Michael Lippert  
Portfolio Manager

## Dear Baron Opportunity Fund Shareholder,

### Performance

During the third quarter, Baron Opportunity Fund (the Fund) posted a positive return of 5.44% (Institutional Shares) but underperformed the Russell 3000 Growth Index (the Benchmark), which gained 10.41%, and the S&P 500 Index, which advanced 8.12%. For the year-to-date period, the Fund appreciated 14.42%, trailing the Benchmark, which rose 16.82%, and roughly matching the S&P 500 Index, which gained 14.83%.

### Review and Outlook

#### Market Backdrop

U.S. equities were broadly higher in the third quarter, building on gains from the prior period. The S&P 500 and NASDAQ Composite Indexes set new record highs throughout the quarter, most recently on September 22.

The dominant driver of market strength was the increased likelihood of Federal Reserve (the Fed) rate cuts, prompted by signs of weakness in the labor market and more dovish Fed commentary. Fed rate-cut expectations rose in early August following a much weaker than expected July non-farm payrolls report and significant downward revisions to prior payroll numbers. Dovish Fed speak intensified as the month wore on, with Chairman Powell hinting a possible interest rate cut while delivering remarks at the Fed's annual Jackson Hole conference. The Fed ultimately resumed its rate-cutting cycle at the September meeting, lowering its policy rate by 25 basis points to a range of 4% to 4.25%, after being on hold since last December. Robust corporate earnings, a lull in trade uncertainties, a resilient consumer, increased M&A and IPO activity, and sustained AI optimism also contributed to market gains during the period.

### Annualized performance (%) for period ended September 30, 2025<sup>†</sup>

	Fund Retail Shares <sup>1,2</sup>	Fund Institutional Shares <sup>1,2,3</sup>	Russell 3000 Growth Index <sup>1</sup>	S&P 500 Index <sup>1</sup>
QTD <sup>4</sup>	5.36	5.44	10.41	8.12
YTD <sup>4</sup>	14.22	14.42	16.82	14.83
1 Year	27.76	28.07	24.79	17.60
3 Years	31.62	31.96	30.76	24.94
5 Years	13.42	13.71	17.03	16.47
10 Years	20.19	20.50	18.26	15.30
15 Years	16.32	16.63	16.95	14.64
Since Inception (2/29/2000)	10.33	10.52	8.11	8.40

The Magnificent Seven dominated market returns for a second consecutive quarter, accounting for 73% of the Benchmark's third quarter gains and 62% of the S&P 500 Index's. The group appreciated 15.2% in the period, outperforming by almost a double-digit margin all other securities in Benchmark, which increased 5.8%. Tesla (up 40.0%), Alphabet (up 38.1%), Apple (up 24.2%), and NVIDIA (up 18.1%) posted the largest gains. Microsoft rose modestly (up 4.3%), and Meta and Amazon were essentially flat in the period.

Most sectors closed higher, with Information Technology (IT), Communication Services, and Consumer Discretionary being the only sectors to outperform the broader market due to the heavy influence of the Magnificent Seven.

*Performance listed in the above table is net of annual operating expenses. Annual expense ratio for the Retail Shares and Institutional Shares as of January 28, 2025 was 1.31% and 1.05%, respectively. The performance data quoted represents past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original cost. The Adviser may waive or reimburse certain Fund expenses pursuant to a contract expiring on August 29, 2036, 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](http://BaronCapitalGroup.com) or call 1-800-99-BARON.*

## Performance

The Fund posted positive gains but underperformed the Benchmark during the quarter. Relative underperformance was stock specific owing to a combination of poor performance of certain stocks owned in the portfolio and strong performance of mega caps we did not own. Investments in IT and Communication Services were entirely responsible for the Fund's underperformance in the period.

In the IT sector, solid gains and relative performance from **Shopify Inc.** (e-commerce platform leader), **Taiwan Semiconductor Manufacturing Company Limited** (TSMC) (the world's advanced-semiconductor manufacturing champion), **GDS Holdings Limited** (leading China and pan-Asia data center operator), and **Broadcom Inc.** (AI networking and custom accelerator winner) were offset by sharp pullbacks in **Gartner, Inc.** (syndicated research leader), **PAR Technology Corporation** (restaurant technology provider), and **Atlassian Corporation** (software development and team collaboration tools leader), which are addressed below. The Fund's non-ownership of Apple, which remained a Magnificent Seven laggard on a year-to-date basis but rebounded sharply during the quarter, accounted for 43% of our IT sector underperformance.

In the Communication Services sector, the Fund's investments in **Spotify Technology S.A.** (global streaming music and content leader) and **The Trade Desk** (digital advertising platform provider), discussed below, negatively impacted relative performance. Spotify, which remained a top performer on a year-to-date basis (up 57%) but retreated somewhat during the period, impacted relative performance because it is one of the largest overweight positions in the portfolio. The Fund's non-ownership of Alphabet, which posted meaningful gains during the quarter (and trailed only **NVIDIA Corporation** in the Magnificent Seven on a year-to-date basis), accounted for 37% of our Communication Services underperformance.

Other notable relative outperformers included electric vehicle (EV) and autonomous driving pioneer **Tesla, Inc.** and autoimmune disease innovator **argenx SE**.

Regarding Apple and Alphabet, both stocks rallied significantly after a U.S. court issued a favorable remedy in the Department of Justice's antitrust case against Google, alleviating market fears of a worst-case scenario. The ruling was a near best-case outcome for Apple, preserving its more than \$25 billion high-margin traffic-acquisition revenue stream from Google and other search providers, and leaving the door open for potential future AI-related payments. For Google, the decision was beneficial as it did not require the forced divestiture of key assets like Chrome or Android. This news, along with positive early data on iPhone 17 demand, drove both stocks to outperform.

Despite this positive legal development, we remain underweight both companies. For Apple, we see continued regulatory risk to its App Store business and await tangible evidence that its AI initiatives can drive a meaningful product upgrade cycle. Regarding Alphabet, while the company possesses the scale and technical advantages to likely be a long-term AI winner, it is confronting a classic innovator's dilemma. It has already ceded

ground in informational queries to competitors like OpenAI (800 million monthly active users) and risks cannibalizing its highly profitable commercial search business with new AI products. Even in a scenario where Google succeeds, we are concerned its market share in the emerging paradigm of AI-commerce<sup>5</sup> may be considerably lower than the near-90% commercial-search share it holds today and are evaluating whether higher monetization of AI commerce will offset lower market share. These challenges create uncertainty for Alphabet's long-term growth and margin profile. Until we have greater clarity, we believe our current investments—including NVIDIA, Broadcom, TSMC, Shopify, **Meta Platforms, Inc.**, and Tesla—provide more compelling exposure to the AI theme.

## AI Update

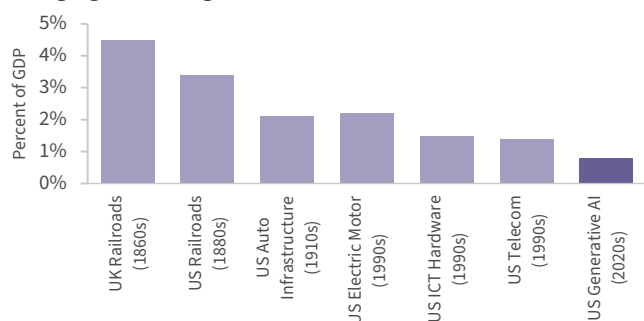
The market has recently absorbed a surge of activity around AI infrastructure buildouts. OpenAI is at the center of these developments, announcing partnerships with NVIDIA, Broadcom, and Advanced Micro Devices for 10 gigawatts (GW), 10 GW, and 6 GW of compute capacity respectively, along with more than 5 GW of commitments to Oracle for cloud infrastructure as part of the Stargate project (one or more of these vendors' compute equipment will power Oracle-Stargate data centers). In addition, NVIDIA CEO Jensen Huang proclaimed in September that global AI-infrastructure spending could total \$3 trillion to \$5 trillion by 2030.

To be clear, in our industry and individual company models/estimates, we do not assume the underlying AI infrastructure market hits the figures implied by the announced partnerships or Jensen's 2030 target, nor do we need the market to hit these levels to earn our targeted long-term returns. We assess announcements and projections like these and others across the broader AI ecosystem from first principles, conducting intensive research to measure the addressable markets and understand technical architectures and differences; talking to everybody (as Ron says), including business leaders, other investors and analysts, and industry experts; analyzing from top-down and bottom-up perspectives; and, as I always say, trying to separate the signal from the noise and focusing on what's real rather than what's said. With an appreciation that history does not repeat itself but often rhymes, we are rigorously examining the parallels and distinctions between today's AI disruptions and inflections of today and past technology paradigm shifts (such as the "Dot-Com" era) and their broader economic implications, alongside lessons from historical infrastructure expansions. At the same time, we are quantifying the many AI addressable markets across sectors, while critically evaluating the usefulness and value of AI to real-world industries, businesses, workflows, and tasks. We remain attuned to ongoing debates around AI's return on investment and potential bubbles and are closely monitoring pathways to monetization and value creation, including through cost efficiencies. We invite our shareholders to watch Michael Lippert's recent appearance on Wealthtrack, "The State of the AI Investment Boom," for further discussion of many of these topics.

From a top-down perspective, while even the low end of Jensen's forecast and the announced compute programs seem mammoth at first blush, the global economy is expected to reach \$140

trillion by 2030, meaning this \$3 trillion market estimate would be just about 2% of the global economy. This strikes us as not unrealistic for the most critical infrastructure of the 21st century, and reasonably consistent with historical infrastructure builds that have generally peaked at 2% to 5% of GDP.

#### Peak Historical Investment Impulse, Emerging Technologies in Frontier Economies



Source: Goldman Sachs Global Investment Research, Bureau of Economic Analysis. 10/15/2025.

Moreover, as we have written before, technology spending today accounts for just 5% of global GDP. We live in a digital age. Every digital interaction from today forward, across business and consumer applications, will have AI at the core of the intelligence layer of the application. Much of incremental GDP growth will incorporate AI and technologies like agentic AI will displace large swaths of existing GDP. If AI innovations propel technology spending towards just 10% of global GDP by 2030, we're talking about \$14 trillion, quite a reasonable justification for large-scale AI infrastructure investments.

From a more bottom-up perspective, we attempt to break this down further and identify the true unlocks required from AI models and systems to justify the trillions of dollars that the leading AI labs now plan to deploy. The most immediate opportunities for AI are not in expanding the economic pie but in redistributing it across existing large markets. For example, the global e-commerce market is estimated to hit \$6.4 trillion this year, representing about 20.5% of global retail sales. We find ourselves on the edge of the first holiday season where consumers will put AI commerce to the test, with such features as OpenAI's Instant Checkout.<sup>5</sup> Over the remainder of this decade, AI should influence and monetize a growing share of this massive consumer market. The global digital advertising market, projected to approach \$850 billion this year, should also continue to see share shifts as AI reshapes consumer engagement. Similarly, the global software market, covering enterprise, productivity, and application software, is estimated to reach over \$800 billion in 2025. AI features and services are already disrupting this market—AI user interfaces, AI predictive intelligence, AI agentic workflows assisting and replacing humans in code development and customer service, etc.—and are expected to drive future software spending and capture a large share of the market opportunity.

The second growth vector, labor replacement, is more transformative in theory but likely to be slower in practice. Human labor represents 45% to 50% of the global economy. Optimists believe AI agents will eventually replace significant portions of knowledge work, and physical AI like autonomous vehicles and robots will begin to displace a broad array of human labor. We are carefully monitoring product announcements and user adoption, but we do appreciate that this transition will evolve over the remainder of the decade and face social, political, and regulatory hurdles.

The most compelling long-term vector is innovation itself. Human progress and GDP growth have historically been driven by research and development, which in turn depends on the number of people with the requisite intelligence and creativity in each field. This is the essence of the Artificial General Intelligence and Artificial Super Intelligence narratives: once machines reach or exceed human-level intelligence, we could, in principle, run millions, or even billions, of R&D agents and experiments in parallel inside AI data centers, accelerating discovery and unlocking entirely new drivers of global growth. As Elon Musk explained during the Grok 4 Livestream, “we’re at the beginning of an immense intelligence explosion...[w]e’re at the intelligence big bang,” but the “real test” for AI is “reality.” Will AI “invent a new technology...improve the design of a car or a rocket or create a new medication...Does the rocket get to orbit? Does the car drive? Does the medicine work?”

Here's just one real-world example already in Baron portfolios. Earlier this year we participated in the IPO of **Heartflow, Inc.**, a health care innovator that uses AI to analyze a coronary CT (computed tomography) angiogram scan, creating a personalized 3D model of heart arteries. The AI, combined with computational fluid dynamics and human analysts, simulates blood flow through this model to assess the impact of blockages and provide doctors with a “CT-derived fractional flow reserve” value, which helps diagnose coronary artery disease and personalize treatments. We are carefully monitoring the long-term AI innovation flywheel.

We remain optimistic about the broad trajectory of AI-driven progress but disciplined in distinguishing real, measurable advances from speculative ambition. Our focus is on identifying the best positioned players to capture enduring value amid this fast-moving, high-potential world of intelligence creation.

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

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



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

- Networking: **Arista Networks, Inc.**
- Technology and business research/advice: **Gartner, Inc.**
- Digital/other health care: **Eli Lilly and Company, Heartflow, Inc., and Exact Sciences Corporation**
- Software: **Synopsys, Inc., GitLab Inc., Via Transportation, Inc., Netskope, Inc., and Samsara Inc.**
- Digital language learning: **Duolingo, Inc.**
- Digital media/entertainment: **Spotify Technology S.A.**

Top Contributors

Top contributors to performance for the quarter

	Contribution to Return (%)
NVIDIA Corporation	2.13
Tesla, Inc.	1.78
Broadcom Inc.	1.19
argenx SE	0.66
Space Exploration Technologies Corp.	0.65

**NVIDIA Corporation** is a semiconductor and systems company specializing in compute and networking platforms for accelerated computing. NVIDIA has captured a dominant position in AI infrastructure with a comprehensive portfolio spanning semiconductor accelerators, networking solutions, modular and rack-scale systems, and software. Shares rose during the quarter as investor confidence in AI infrastructure expansion grew. For its July 2025 quarter, NVIDIA reported 56% total and data center revenue growth. Looking forward, NVIDIA disclosed near-term visibility of tens of GWs in AI buildouts, including the 10 GW agreement with OpenAI, with each GW representing an estimated \$35 billion total addressable market. During its August earnings call, NVIDIA’s management declared: “We are at the beginning of an industrial revolution that will transform every industry. We see \$3 trillion to \$4 trillion in AI infrastructure spend by the end of the decade.” As AI infrastructure investment accelerates, NVIDIA’s leadership continues to strengthen through durable moats across compute silicon, networking, systems, software, and supply chain. We remain confident in AI’s potential to transform the global economy and in NVIDIA’s pivotal role as the leading enabler of that transformation, positioning it to capture significant long-term value in the AI era.

**Tesla, Inc.** designs, manufactures, and sells EVs, related software and components, solar products, and energy storage solutions. Tesla shares contributed to our quarterly performance due to three key catalysts. First, Tesla’s core automotive business saw an uplift in sentiment and growth. The company announced record third quarter results for both vehicle deliveries and energy storage deployment, surpassing strong expectations. While the expiration

of U.S. consumer EV tax credits likely positively influenced domestic sales, investors also identified enthusiastic consumer response to a new Model Y variant in China, elevating expectations for this variant’s traction. Second, investor confidence in the company’s ambitious long-term vision and in Elon Musk’s leadership was reinforced by a newly proposed CEO compensation package and nearly \$1 billion in personal share purchases by Musk. To fully benefit from the compensation plan, Elon and Tesla will need to achieve close to an 8-fold increase in market cap and over a 25-fold expansion in adjusted EBITDA. Alongside these financial goals, the company must also deliver on its revolutionary AI initiatives. Over the coming decade the company will need to deploy one million robotaxis in commercial operations, sell one million humanoid robots, reach 10 million active Full-Self-Driving (FSD) subscribers, while continuing to sell millions of cars to consumers each year. Finally, Tesla’s AI initiatives continue to advance rapidly. Tesla’s Austin robotaxi network saw its operational footprint grow from 20 to over 170 square miles in just two months after its June 2025 launch, with further expansion on the horizon, including in new cities. Additionally, the forthcoming FSD Version 14 is anticipated to be a critical step toward broader autonomous capabilities. Elon Musk previously stated that V14 “is the second biggest update to Tesla AI/Autopilot ever after V12. It feels alive,” noting that “With FSD V14, we’re on track to enable unsupervised driving in select areas by the end of the year, assuming regulatory approval.” In addition, Tesla’s humanoid robot is expected to transition from design to volume production next year as Tesla finalizes its latest Optimus design.

**Broadcom Inc.** is a leading semiconductor and enterprise software company, generating approximately 60% of revenue from semiconductors and 40% from software. The company is strategically positioned at the intersection of high-performance AI compute and networking infrastructure, while also demonstrating disciplined execution in software. Broadcom has extended its leadership in networking silicon from the cloud era into the AI era and is regarded as the most reliable silicon partner for AI foundational model builders designing custom chips to train frontier models. Shares rose during the quarter on accelerating momentum in Broadcom’s AI product lines and strong business visibility into next year. In its July quarter, Broadcom reported almost \$16 billion in total revenue, up 22%; \$5.2 billion in AI revenue, up 63%; and \$6.8 billion in software revenue, up 17%. Broadcom continued to demonstrate excellent profitability, with EBITDA margins over 67% and free cash flow margins at 44%. While Broadcom continues to execute with its key custom AI accelerator customer, Google, it is on track for volume production with two additional customers (likely Meta and ByteDance), has secured a fourth customer with orders worth \$10 billion next year, and announced a 10 GW deal with a notable fifth customer, OpenAI. Beyond AI, Broadcom is advancing its VMware integration, while its non-AI semiconductor businesses appear to be bottoming and may gradually recover in the coming quarters. We retain our long-term conviction in Broadcom’s position within the AI ecosystem.



## Top Detractors

### Top detractors from performance for the quarter

	Contribution to Return (%)
The Trade Desk	(0.74)
Gartner, Inc.	(0.52)
Spotify Technology S.A.	(0.50)
PAR Technology Corporation	(0.35)
Atlassian Corporation	(0.31)

**The Trade Desk**, a leading digital-advertising demand-side platform (DSP), detracted from performance this quarter after reporting results and guidance that fell short of expectations. This frustrated investors amid strength in the broader advertising market and following strong first quarter results that exceeded both Baron and consensus forecasts. We believe several factors contributed to second quarter revenue growth decelerating more than anticipated: (i) a slower-than-anticipated rollout of the company's new platform, Kokai (which has since re-accelerated); (ii) broad macro uncertainty around tariffs that impacted larger brand advertisers, who appear to have pulled-forward advertising spending into the first quarter in front of the administration's April tariff roll out; and (iii) the company's restructuring of sales and account coverage, particularly focused on its largest clients. Importantly, our conversations with industry participants suggest that Amazon's competing DSP has not yet taken meaningful share from Trade Desk and that most advertiser interest in Amazon appears limited to its exclusive Prime Video inventory. That said, we are closely monitoring Amazon's push to scale its offering by undercutting Trade Desk on fees and signing new publishing partners like Roku, Netflix, and Spotify. Despite these issues, our research supports our view that Trade Desk remains the product leader in the DSP space and is well positioned to benefit from strengthening brand advertising trends in the second half of 2025. Trade Desk no longer commands a premium valuation, trading more in line with peers and reflecting tempered growth expectations. The company remains financially stout, with over \$1.7 billion in cash on its balance sheet, strong free cash flow generation, and the capacity to aggressively repurchase a significant portion of its market cap. We continue to hold our position in Trade Desk, while keeping a close eye on the evolving competitive landscape.

**Gartner, Inc.** shares declined significantly after the company reported second quarter results. Contract value growth, a leading indicator of the company's future revenue, decelerated to 4.9% from 6.7% in the prior quarter. We attribute most of the slowdown to ongoing cost cutting in the U.S. public sector, which represents around 5% of revenue, as well as more challenging business conditions in industries dependent on public-sector funding, such as education. We also believe companies with meaningful exposure to tariffs have tightened cost controls, resulting in longer sales cycles and slightly higher attrition for Gartner. While the market has linked Gartner's growth deceleration to concerns about the impact of AI on its business, we see no compelling evidence that this is negatively impacting its value proposition. We believe Gartner has a vast and

growing set of proprietary data, generated by hundreds of thousands of interactions with buyers, sellers, and consumers of technology. Gartner's proprietary insight extends to corporate technological roadmaps, enabling the company to assess future trends. Gartner also delivers a tangible return on investment for its customers through its contract review program; we estimate that for every dollar spent with Gartner, a customer can save up to \$10 on lower procurement costs. In addition, we estimate that almost 95% of Gartner's research business comes from customers that want in-person interactions with an analyst or former CIO to serve as a partner to help guide decisions. We believe AI is presently a tailwind for Gartner, as every company in the world seeks insights and assistance in understanding the risks and opportunities poised by AI. As a result, we expect growth trends to improve next year as U.S. public sector headwinds abate and sales force productivity strengthens. Moreover, we expect the company to be aggressive in repurchasing stock to capitalize on its discounted valuation. We estimate that Gartner repurchased approximately \$800 million in July and August and added an additional \$1 billion to its outstanding share repurchase authorization in early September. Given approximately \$2 billion of cash on its balance sheet, ample debt capacity, and ongoing free cash flow generation, we believe the company could potentially repurchase nearly 20% of its market cap over the next 18 months.

As stated above, global streaming music and content leader **Spotify Technology S.A.** remained a top performer on a year-to-date basis (up almost 57%) but retreated somewhat during the period. It is reported as a third quarter detractor because of its large weight in the portfolio.

**PAR Technology Corporation** is a leading software, hardware, and service provider to the food service industry. Shares of PAR fell during the quarter as the company lowered its annual recurring revenue (ARR) growth outlook for the year to 15% (from prior 20% expectations) due to weak macro conditions for its restaurant customers and the purposeful delay of some new rollouts to focus on winning late-stage opportunities with some of the largest restaurants in the industry. Additionally, management indicated that it believes the right core ARR growth rate for the business going forward is now 15%, not the prior 20% target. Despite the weaker start to the year and lower "core" growth outlook, for the next 12 months the company remains confident it can deliver 20% ARR growth supported by a strong pipeline of contracted customers, including its rollout to Burger King. Additionally, we have confidence that the company is well positioned to win at least one of its three late stage "mega deals," which would meaningfully improve the growth outlook for 2026 and 2027, given they are sized as equal to or multiples of the Burger King deal, which is PAR's largest deal to date. In general, as more enterprise-scale restaurants look to upgrade their technology stacks, PAR remains well positioned to win outsized share as the leading cloud-based multi-product platform in the industry. Also, despite the lower growth outlook the company can manage expenses in lockstep, which means our estimates for rapidly scaling profitability in the coming years remain virtually unchanged. At its current valuation, we believe PAR's stock is set up well to outperform in the coming years, driven by durable growth, inflecting profitability, and strong customer momentum.

**Atlassian Corporation** is a leading team collaboration and productivity software vendor. The company initially focused on serving software engineers (over 20 million worldwide), but its newer products, features, and use cases address a much larger set of users, including business teams engaged in product development (over 100 million worldwide) and the much broader group of knowledge workers (over 1 billion globally). Despite solid results and guidance, shares declined on continued fears that AI software code development tools would pressure the number of software developers and Atlassian’s own growth from this segment. Our research indicates that AI will spark more software code to be written and applications to be adopted, resulting in more—not less—demand for Atlassian’s portfolio of products. We believe these products will be monetized through a combination of both seats and consumption elements. We are carefully monitoring all risks related to AI but have yet to see any impact on the company’s business. On the other hand, Atlassian continues to innovate rapidly—introducing Atlassian Rovo, which is an AI conversational interface powered by its proprietary Teamwork Graph that connects data from all Atlassian tools—positioning it to continue to show strong growth for many years to come.

Portfolio Structure

We invest in secular growth and innovative businesses across all market capitalizations, with the bulk of the portfolio landing in the large-cap zone. Morningstar categorizes the Fund as U.S. Large Growth. As of the end of the third quarter, the largest market cap holding in the Fund was \$4.5 trillion and the smallest was \$500 million. The median market cap of the Fund was \$44.6 billion, and the weighted average market cap was \$1.4 trillion.

To end the quarter, the Fund had \$1.8 billion of assets under management. We had investments in 48 unique companies. The Fund’s top 10 positions accounted for 58.0% of net assets.

The Fund has had positive inflows year-to-date.

Top 10 holdings

	Quarter End Market Cap (\$B)	Quarter End Investment Value (\$M)	Percent of Net Assets (%)
NVIDIA Corporation	4,533.9	231.6	13.2
Microsoft Corporation	3,850.0	131.6	7.5
Broadcom Inc.	1,558.0	112.8	6.4
Amazon.com, Inc.	2,341.7	106.6	6.1
Tesla, Inc.	1,478.8	106.4	6.0
Spotify Technology S.A.	145.5	85.5	4.9
Meta Platforms, Inc.	1,844.9	80.4	4.6
Space Exploration Technologies Corp.	400.1	79.7	4.5
Eli Lilly and Company	722.1	43.7	2.5
argenx SE	45.1	42.9	2.4

Recent Activity

Top net purchases for the quarter

	Quarter End Market Cap (\$B)	Net Amount Purchased (\$M)
Arista Networks, Inc.	183.1	14.1
Gartner, Inc.	19.9	9.9
Synopsys, Inc.	91.6	8.8
ODDITY Tech Ltd.	3.5	8.3
Duolingo, Inc.	14.7	7.5

This quarter, we re-established a position in **Arista Networks, Inc.**, a leading provider of high-performance networking solutions for data centers, cloud providers, and enterprises. Arista’s advanced switching and routing platforms, powered by its proprietary software, offer enhanced scalability, automation, and flexibility. The company generates revenue through hardware sales bundled with software and post-contract support services, serving major cloud players like Microsoft, Meta and Oracle, along with a growing range of enterprise customers. We are witnessing an unprecedented buildout of AI infrastructure, where networking is becoming an increasingly critical component. While NVIDIA offers a comprehensive technology stack for AI data centers, Arista stands out as the leading networking company with best-in-class Ethernet solutions. Its products not only interconnect servers within data centers and link multiple data centers together but will also extend to emerging architectures that connect AI accelerators within the rack. We believe Arista is well positioned to capture a meaningful share of the data center networking stack as AI cluster builders prioritize performance optimization and vendor diversification.

As stated above, we added to our **Gartner, Inc.** position on weakness during the quarter.

**Synopsys, Inc.** is a market-leading electronic design automation (EDA) software vendor serving the global semiconductor and systems markets. It operates in a global duopoly with Cadence Design Systems—like Visa and Mastercard in payments—with sizable competitive moats. Synopsys recently closed its acquisition of ANSYS, a long-time Baron investment. This acquisition should enable Synopsys to: (i) strengthen its simulation offering through a fully integrated platform across planning, designing, simulating, and testing chips—increasingly important for helping customers manage complexity and reduce costs; (ii) expand into adjacent markets like automotive and industrials, supporting long-term growth; and (iii) realize substantial cost synergies that will drive operating leverage. With low double-digit organic revenue growth and significant operating leverage from ANSYS synergies, we believe Synopsys can more than double its earnings by 2030.

We initiated a starter position in Synopsys after shares sold off following the company’s third quarter earnings report and our in-person meeting with management. The company disclosed weakness in its intellectual property (IP) business, which represents about 18% of total revenue, causing it to miss consensus expectations and lower full-year guidance. IP weakness stemmed

from two primary sources: (i) lower sales to Chinese customers after the U.S. Government banned, then lifted, sales restrictions into China, creating uncertainty that led customers to pause or delay purchases; and (ii) weakness from heightened uncertainty around Intel, the company's largest customer, which saw reduced demand for its leading-edge fabrication platform and associated Synopsys IP sales. Management's guidance assumed worst-case scenarios for both issues. More importantly, management argued convincingly that both headwinds are temporary, caused by factors outside the company's control, and neither structural nor due to market share loss. IP remains a long-term secular growth business.

Meanwhile, the rest of Synopsys' business—both EDA and simulation from the ANSYS acquisition—continues to perform well. Given ever-increasing chip complexity and surging demand from AI, we believe the company is well positioned for steady improvement across its entire business in the coming years.

#### Top net sales for the quarter

	Quarter End Market Cap or Market Cap When Sold (\$B)	Net Amount Sold (\$M)
CyberArk Software Ltd.	19.9	21.1
Shopify Inc.	193.0	9.8
Datadog, Inc.	49.7	9.3
Broadcom Inc.	1,558.0	9.1
Cloudflare, Inc.	74.8	6.4

We exited our **CyberArk Software Ltd.** position after its acquisition by Palo Alto Networks was announced.

Sales of **Shopify Inc.**, **Datadog, Inc.**, **Broadcom Inc.**, and **Cloudflare, Inc.** were merely trims of portfolio weights as all the stocks have delivered strong returns for the Fund.

I remain confident in and committed to the strategy of the Fund: durable growth based on powerful, long-term, innovation-driven secular growth trends. We continue to believe that non-cyclical, durable, and resilient growth should be part of investors' portfolios and that our strategy will deliver solid long-term returns for our shareholders.

Sincerely,



Michael A. Lippert  
Portfolio Manager

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

<sup>1</sup> The **Russell 3000® Growth Index** measures the performance of the broad growth segment of the U.S. equity universe. The **S&P 500 Index** measures the performance of 500 widely held large-cap U.S. companies. All rights in the FTSE Russell Index (the "Index") vest in the relevant LSE Group company which owns the Index. Russell® is a trademark of the relevant LSE Group company and is used by any other LSE Group company under license. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. The Fund includes reinvestment of dividends, net of withholding taxes, while the Russell 3000® Growth Index and S&P 500 Index include reinvestment of dividends before taxes. Reinvestment of dividends positively impacts the performance results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly in an index.

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

<sup>3</sup> 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.

<sup>4</sup> Not annualized.

<sup>5</sup> In late September, OpenAI announced Instant Checkout—enabling shoppers to go from chat to checkout inside of ChatGPT in just a few taps—and partnerships with many leading e-commerce players, including Shopify and Walmart. According to OpenAI's website here's how Instant Checkout works: "When someone asks a shopping question—'best running shoes under \$100'— ChatGPT shows the most relevant products from across the web. Product results are organic and...ranked purely on relevance to the user. If a product supports Instant Checkout, users can tap 'Buy,' confirm their order, shipping, and payment details, and complete the purchase without ever leaving the chat. Existing ChatGPT subscribers can pay with their card on file, or other card and express payment options. Orders, payments, and fulfillment are handled by the merchant using their existing systems. ChatGPT simply acts as the user's AI agent..., just like a digital personal shopper would. Merchants pay a small fee on completed purchases, but the service is free for users."

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

**Risks:** Securities issued by small and medium-sized companies may be thinly traded and may be more difficult to sell during market downturns. Companies propelled by innovation, including technology advances and new business models, may present the risk of rapid change and product obsolescence, and their success may be difficult to predict for the long term. Even though the Fund is diversified, it may establish significant positions where the Adviser has the greatest conviction. This could increase volatility of the Fund's returns.

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

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

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

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QUARTERLY LETTER | SEPTEMBER 30, 2025

# Baron Partners Fund®

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

## Dear Baron Partners Fund Shareholder,

### Performance

Baron Partners Fund (the Fund) had strong quarterly results on both an absolute and relative basis. Over the prior quarter, the Fund appreciated 13.17% (Institutional Shares), its second consecutive double-digit gain. This result exceeded both its benchmark, the Russell Midcap Growth Index (the Index), and the broader Russell 3000 Index (the Market Index). Those two indexes rose 2.78% and 8.18%, respectively. The Fund also outperformed peers in the Morningstar Large Growth Category, which were up 7.59%.\*

Over the prior 12 months, the Fund has returned 33.23%. That performance again compares very favorably to the Index and the Market Index's returns of 22.02% and 17.41%, respectively.

While the Fund performed well on an absolute basis over the prior three years, it has trailed its benchmarks. That period encompassed a transitional time in the global financial markets. In 2022, investors were uncertain about the strain inflation and interest rates would have on the economy. The market rotated away from the COVID era favored growth investments and towards more value oriented steadier businesses. And again in 2025, a changed political landscape has created another period of investor uncertainty. The Fund's low turnover makes it temporarily susceptible to these sudden changes in market sentiment. The Fund's sizable gains in calendar years 2023 and 2024 have been bookended by declines in 2022 and lagging returns so far in 2025. Over the prior three years, the Fund returned 17.03% annualized, while the Index returned 22.85%.

As of September 30, 2025, the Morningstar Large Growth Category consisted of 1,073, 954, and 766, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Partners Fund in the 8<sup>th</sup>, 19<sup>th</sup>, 1<sup>st</sup>, 1<sup>st</sup>, and 1<sup>st</sup> percentiles for the 1-, 5-, 10-, 15-year, and since conversion periods, respectively. The Fund converted into a mutual fund on April 30, 2003, and the category consisted of 688 share classes. Morningstar calculates the Morningstar Large Growth Category Average performance and rankings using its Fractional Weighting methodology. Morningstar rankings are based on total returns and do not include sales charges. Total returns do account for management, administrative, and 12b-1 fees and other costs automatically deducted from fund assets.

Performance listed in the above table is net of annual operating expenses. Annual expense ratio for the Retail Shares as of April 30, 2025 was 2.24% (comprised of operating expenses of 1.30% and interest expense of 0.94%) and Institutional Shares was 1.99% (comprised of operating expenses of 1.04% and interest expense of 0.95%). The performance data quoted represents past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original cost. The Adviser may waive or reimburse certain Fund expenses pursuant to a contract expiring on August 29, 20365, 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](http://BaronCapitalGroup.com) or call 1-800-99-BARON.



Ron Baron  
CEO  
Portfolio Manager

Michael Baron  
Co-President  
Portfolio Manager

### Annualized performance (%) for period ended September 30, 2025<sup>†</sup>

	Fund Retail Shares <sup>1,2,3</sup>	Fund Institutional Shares <sup>1,2,3,4</sup>	Russell Midcap Growth Index <sup>2</sup>	Russell 3000 Index <sup>2</sup>
QTD <sup>5</sup>	13.09	13.17	2.78	8.18
YTD <sup>5</sup>	4.67	4.86	12.84	14.40
1 Year	32.89	33.23	22.02	17.41
3 Years	16.73	17.03	22.85	24.12
5 Years	16.46	16.76	11.26	15.74
10 Years	22.24	22.56	13.37	14.71
15 Years	19.70	20.01	13.44	14.23
Since Conversion (4/30/2003)	17.02	17.24	12.03	11.38
Since Inception (1/31/1992)	15.31	15.46	10.42	10.69

But while the Fund has trailed the Index and Market Index over the prior 3-year period, it is ranked in the top percentile of its Morningstar category over each the prior 10-year, 15-year, and since conversion periods. The Fund is also highly ranked over the last twelve months (8<sup>th</sup> percentile) and trailing 5-year period (19<sup>th</sup> percentile). The rapid and short-lived market shifts that caused recent underperformance have had much less impact



on the Fund's long-term absolute and relative returns. Since its conversion to a mutual fund, the Fund's annual return of 17.24% compared to the Index's return of 12.03%. We are very proud of these achievements and long-term investors have been rewarded.

Similar to last quarter, **Tesla, Inc.** was both the largest position in the Fund and most impactful contributor to performance. The investment's total return was 40.2%. There has been improved demand for legacy product, the business model is on the cusp of transforming, and future product lines provide significant potential. We appreciate the company's ability to reaccelerate vehicle sales through customer segmentation. Lower priced vehicles attained through content reductions and manufacturing efficiencies in the U.S. should broaden accessibility. A longer Model Y version in China we believe should improve demand in that key market. While the core vehicle business is positioned for substantial growth, we are most excited about the company's rapid and meaningful improvements in full-service driving. The company is rapidly transitioning into a high margin recurring revenue software business from its legacy hardware sales. We expect the Robotaxi service to expand into various and diverse highly populated markets throughout 2026. A purpose-built Cybercab should bring improved economics. And the company still has the ability to become significantly larger as it scales its energy business and develops the humanoid robot, Optimus.

A lot of press reports have been critical of the new pay package for Tesla founder and CEO Elon Musk. While others focus on the eye-catching (stock) compensation figure, we are much more focused on the financial, operational, and valuation attributes the company needs to achieve in order to earn the various tranches. These aspirational goals provide clear incentives and executive focus that we believe are aligned with long-term shareholders' best interests.

While Tesla had the greatest impact on returns, there were a handful of other double-digit gainers across various sectors and growth categories. The commonality is that our investment thesis is being realized. Core growth veterinary diagnostic company **IDEXX Laboratories, Inc.** returned 19.1%. Newly developed instruments analyzing pet cancer are gaining great adoption. These instruments also provide the sales team an ability to cross sell existing systems into the market. Another instrument is expected to launch in the coming years and should provide another leg of growth. Real asset and Las Vegas locals gaming operator **Red Rock Resorts, Inc.** has delivered impressive results at its latest new property. This success provided confidence to accelerate that property's expansion and begin other new developments.

On the contrary, declines in the portfolio were generally related to the perceived threat posed by AI. Soft results for both **Gartner, Inc.** and **FactSet Research Systems Inc.** have given credence to investor pessimists that these businesses are susceptible to AI displacement. We do not believe this is true. Both companies have years of proprietary data that should be more effective for AI tools rather than threatened by it. We remain confident in their ability to grow these businesses and believe AI will become a benefit to add services for their clients.

## Total returns by category for the quarter

	Percent of Total Investments (%)	Total Return (%)	Contribution to Return (%)
<b>Disruptive Growth</b>	<b>57.6</b>	<b>28.46</b>	<b>15.38</b>
Figma, Inc.	0.3	57.18	0.14
Tesla, Inc.	35.3	40.22	12.46
Space Exploration Technologies Corp.	19.3	14.59	3.01
Northvolt AB	0.0	0.00	0.00
X.AI Holdings Corp.	0.7	0.00	0.00
Spotify Technology S.A.	1.9	(9.04)	(0.23)
<b>Russell Midcap Growth Index</b>		<b>2.78</b>	
<b>Real/Irreplaceable Assets</b>	<b>11.3</b>	<b>1.42</b>	<b>0.25</b>
Red Rock Resorts, Inc.	1.5	17.84	0.27
Hyatt Hotels Corporation	5.8	1.74	0.16
Gaming and Leisure Properties, Inc.	1.0	1.48	0.03
Vail Resorts, Inc.	2.8	(4.82)	(0.15)
Choice Hotels International, Inc.	0.3	(12.41)	(0.05)
<b>Core Growth</b>	<b>20.5</b>	<b>(3.52)</b>	<b>(0.87)</b>
IDEXX Laboratories, Inc.	4.9	19.12	0.95
CoStar Group, Inc.	7.1	4.92	0.50
HEICO Corporation	0.9	(1.63)	(0.02)
Guidewire Software, Inc.	2.5	(2.37)	(0.06)
Birkenstock Holding plc	1.0	(7.99)	(0.09)
Eli Lilly and Company	0.0	(12.87)	(0.08)
Gartner, Inc.	4.0	(33.34)	(1.28)
Iridium Communications Inc.	—	(41.63)	(0.08)
StubHub Holdings, Inc.	0.2	(75.23)	(0.70)
<b>Financials</b>	<b>17.0</b>	<b>(5.78)</b>	<b>(1.17)</b>
The Charles Schwab Corporation	5.2	4.93	0.29
Arch Capital Group Ltd.	6.9	(0.35)	(0.03)
MSCI Inc.	3.2	(1.28)	(0.04)
FactSet Research Systems Inc.	1.7	(35.83)	(1.39)
<b>Cash and Cash Equivalents</b>	<b>(6.5)</b>	<b>—</b>	<b>0.00</b>
<b>Fees</b>	<b>—</b>	<b>(0.46)</b>	<b>(0.46)</b>
<b>Total</b>	<b>100.0*</b>	<b>13.13**</b>	<b>13.13**</b>

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

\*\* Represents the blended return of all share classes of the Fund.

Sources: Baron Capital, FTSE Russell, and FactSet PA.

### Top contributors to performance for the quarter

	Year Acquired	Market Cap When Acquired (\$B)	Quarter End Market Cap (\$B)	Total Return (%)	Contribution to Return (%)
Tesla, Inc.	2014	21.9	1,478.8	40.22	12.46
Space Exploration Technologies Corp.	2017	21.6	400.1	14.59	3.01
IDEXX Laboratories, Inc.	2013	4.7	51.1	19.12	0.95
CoStar Group, Inc.	2005	0.7	35.7	4.92	0.50
The Charles Schwab Corporation	1992	1.0	178.2	4.93	0.29

**Tesla, Inc.** designs, manufactures, and sells fully electric vehicles, related software and components, solar products, and energy storage solutions. Shares rose during the quarter due to three key catalysts. First, Tesla's core automotive business is showing renewed strength, with expectations for rising third-quarter delivery volumes across major markets following an enthusiastic consumer response to a new Model Y variant in China. Second, investor confidence in the company's long-term vision and in Elon Musk's leadership was reinforced by a newly proposed CEO compensation package and nearly \$1 billion in personal share purchases by Musk. Finally, Tesla's AI initiatives continue to advance rapidly, highlighted by the Austin robotaxi network's expansion from 20 to over 170 square miles since its June 2025 launch and plans for rollouts to additional cities. The upcoming Full Self-Driving Version 14 release is also expected to deliver a major leap in capability for the company's consumer-owned fleet, while humanoid robot production is anticipated next year as Tesla finalizes its latest Optimus design.

**Space Exploration Technologies Corp.** (SpaceX) is a high-profile private company founded by Elon Musk. The company's primary focus is on developing and launching advanced rockets, satellites, and spacecrafts, with the ambitious long-term goal of making life multi-planetary. SpaceX is generating significant value with the rapid expansion of its Starlink broadband service. The company is successfully deploying a vast constellation of Starlink satellites in Earth's orbit, reporting substantial growth in active users, and regularly deploying new and more efficient hardware technology. Furthermore, SpaceX has established itself as a leading launch provider by offering highly reliable and cost-effective launches, leveraging the company's reusable launch technology. SpaceX capabilities extend to strategic services such as human spaceflight missions. Moreover, SpaceX is making tremendous progress on its newest rocket, Starship, which is the largest, most powerful rocket ever flown. This next-generation vehicle represents a significant leap forward in reusability and space exploration capabilities. We value SpaceX using prices of recent stock transactions.

Veterinary diagnostics leader **IDEXX Laboratories, Inc.** contributed to performance after reporting better-than-expected financial results. Foot traffic to veterinary clinics in the U.S. remains under pressure, which has continued to hamper aggregate revenue growth. Even so, IDEXX's excellent execution has enabled the company to maintain strong performance. We believe IDEXX's

competitive trends are outstanding, and we expect new proprietary innovations and field sales force expansion to be meaningful contributors to growth this year. We see increasing evidence that long-term secular trends around pet ownership and pet care spending have structurally accelerated, which should support IDEXX's long-term growth rate.

### Top detractors from performance for the quarter

	Year Acquired	Market Cap When Acquired (\$B)	Quarter End Market Cap (\$B)	Total Return (%)	Contribution to Return (%)
FactSet Research Systems Inc.	2007	2.7	10.8	(35.83)	(1.39)
Gartner, Inc.	2013	5.7	19.9	(33.34)	(1.28)
StubHub Holdings, Inc.	2021	17.4	6.2	(75.23)	(0.70)
Spotify Technology S.A.	2020	22.6	145.5	(9.04)	(0.23)
Vail Resorts, Inc.	2008	1.6	5.4	(4.82)	(0.15)

**FactSet Research Systems Inc.** is a leading provider of investment management tools. Shares fell during the quarter due to a combination of industry-wide concerns about AI, uncertainty surrounding the ongoing CEO transition (which prompted a more conservative preliminary fiscal 2026 outlook), and cautious commentary from several financial data and software peers. The company nevertheless reported solid fiscal fourth quarter 2025 earnings results, its best quarter ever for new sales, and discussed at length how AI is benefiting the business. We retain long-term conviction in FactSet given its large addressable market, strong execution across both new product development and financial results, and robust free cash flow generation.

**Gartner, Inc.**, a provider of syndicated research, detracted from performance following disappointing quarterly earnings. Contract value growth, a leading indicator of future revenue, decelerated by approximately 2%. We attribute most of the slowdown to ongoing cost cutting in the U.S. public sector, which represents about 5% of revenue, as well as more challenging business conditions in industries dependent on public-sector funding. In addition, companies with meaningful exposure to tariffs appear to be reducing costs, resulting in longer sales cycles and slightly higher client attrition. While the market expressed concern about the impact of AI on Gartner's insights business, we see no evidence that this is negatively impacting its value proposition. The company continues to benefit from a vast and expanding set of proprietary data generated through hundreds of thousands of interactions with buyers, sellers, and technology consumers. Gartner bought back approximately \$800 million worth of stock in July and August and authorized an additional \$1 billion in September, and we expect the company to continue repurchasing shares aggressively to capitalize on the discounted valuation.

**StubHub Holdings, Inc.**, the leading marketplace for the resale of live event tickets, detracted from performance following its September IPO. The company has been investing heavily to expand market share and develop capabilities to sell tickets

directly on behalf of sports teams. Near-term results were also affected by challenging annual revenue comparisons after the outsized success of Taylor Swift tour ticket sales last year. Despite these temporary headwinds, we remain optimistic that StubHub's growth and profitability will accelerate meaningfully.

## Investment Strategy and Portfolio Structure

We seek to invest in businesses we believe can double in value within five or six years. We invest for the long term in a focused portfolio of appropriately capitalized, well-managed growth businesses at attractive prices across market capitalizations. We attempt to create a portfolio of no more than 30 securities diversified by GICS sectors, but with the top 10 positions representing a significant portion of net assets. These businesses are identified by our analysts and portfolio managers using our proprietary research. We think these well-managed businesses have sustainable competitive advantages and strong, long-term growth opportunities. We use leverage to enhance returns, which increases the Fund's volatility.

As of September 30, 2025, we held 22 investments. The median market capitalization of these growth companies was \$22.7 billion. The top 10 positions represented 88.7% of total investments. Leverage was 6.5%.

In the quarter, we sold 16% of our position in Tesla. As explained previously in this letter, we are extraordinarily confident in the company's prospects and ability to become a significantly more valuable business. The Fund completed its purchase of Tesla shares in 2016 with an ending portfolio weight of 9.6% of total investments. Its current average cost in the Fund is only \$14.86 per share. Due to significant appreciation in the stock, the position increased to 30.5% of the Fund's total investments at the start of the recent quarter. Despite offsetting some of the volatility caused by the position's weight with more stable and uncorrelated investments, Tesla's stock movements caused increased variability in the entire portfolio. We entered into agreements with large investment banks to dispose of a portion of the holdings through a redemption in-kind because, we believe, it would have minimal impact on the share price and no transaction costs. Tesla remains the Fund's top holding, by far. The disposition was a portfolio construction decision rather than reduced confidence in the business.

The long-term absolute and relative performance of the Fund has been very good. The Fund has returned 17.24% annualized since conversion to a mutual fund on April 30, 2003, exceeding the Index by 5.21% per year.

The Fund's performance has also meaningfully exceeded the Index over the prior 5-, 10-, 15-, and 20-year periods.

However, the Fund has not exceeded its benchmark over every period. The distinct composition of the portfolio could result in periods of underperformance. The current year-to-date results are one of those periods. And while we are disappointed with this distinct period, we are not alarmed by the relative underperformance. The low turnover strategy implemented by the Fund has previously resulted in similar stretches. And we have

not only endured analogous periods throughout the Fund's history but have also typically emerged with strong absolute and relative performance in subsequent years. Although we have no guarantee of continued success, we believe this trend will continue.

We continue to believe the current year-to-date results should not be viewed in isolation and remind investors how the portfolio has performed over the course of a full cycle. Year-to-date results in 2025 follow a period of a surprise and drastic change in the U.S. political landscape. The business and investor euphoria experienced because of the Presidential election at the end of 2024 was met with the realities of policies enacted (and in some cases, enacted, paused, and/or withdrawn) at the start of 2025. Investors had believed that President Trump would usher in a pro-business era of less regulatory burdens, falling interest rates, and lower taxes. However, these same investors remain concerned about tariffs hindering international trade, inflation harming discretionary spending, and federal spending cuts and the ongoing government shutdown impacting economic growth. It has been a whipsaw of forecasts.

We did not attempt to predict the 2024 election outcome, nor investor reaction to it. And we likewise are not attempting to predict current policy. We believe that our investments should achieve their goals regardless of political outcomes. Reduced regulatory burdens should enable our disruptive growth businesses to meet their objectives more quickly. And we find that more challenging economic environments tend to favor our core growth quality, competitively advantaged businesses, which are well represented in the Fund. These businesses should face less competition from new entrants in such economies. And the executive teams should position their business to thrive. The Fund's portfolio turnover remained low throughout this period. A transitional period is often volatile, and that has once again been the case. But the Fund is weathering this entire period very well. Since the U.S. election on November 5, 2024 when the macroeconomic and political environment shifted, the Fund has gained 39.02%, while the Index has gained only 17.19% through the end of the quarter.

While we present the Fund's absolute and relative returns over the SEC mandated periods, we believe it is also important to discuss how the Fund performs over the course of different longer market environments. Therefore, in addition to viewing the Fund's returns over these various SEC mandated trailing annual periods, we believe it is helpful to understand how the Fund has performed over economic cycles.

The Fund has appreciated considerably in good times...

There have been two distinct periods over the life of the Fund with significant economic growth. The nearly eight-year period from the Fund's inception through the Internet Bubble (1/31/1992 to 12/31/1999) and the more recent 11-year period Post-Great Recession to the start of the COVID Pandemic (12/31/2008 to 12/31/2019). During both periods, the Index had strong returns; however, the Fund's returns were even better. The Fund's annualized return during the most recent robust economic period was 17.44% compared to the Index's 16.84%. The Russell 3000 Index had an annual return of 14.70% during that time.

### Performance in Good Times: Outpacing the Index

	Fund's Inception to Internet Bubble 1/31/1992 to 12/31/1999		Post-Financial Panic to COVID Pandemic 12/31/2008 to 12/31/2019	
	Annualized Return (%)	Value of \$10,000	Annualized Return (%)	Value of \$10,000
Baron Partners Fund (Institutional Shares)	22.45	49,685	17.44	58,586
Russell Midcap Growth Index	19.26	40,316	16.84	55,380
Russell 3000 Index	19.29	40,402	14.70	45,195

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

The Fund has retained value in challenging times...

We believe what especially sets the Fund apart from other growth funds is its historic ability to outperform in more challenging economic periods. The nine-year period from the Internet Bubble collapse through the Great Recession (12/31/1999 to 12/31/2008)

saw lower returns for the Fund. It had an annualized return of 1.54%. However, the Index declined substantially. A \$10,000 hypothetical investment in the Fund at the start of this period would have been worth \$11,479 after those nine years. A \$10,000 hypothetical investment in a fund designed to track the Index would be worth only \$6,488, more than a 35% cumulative decline. The Fund preserved (and slightly grew) capital during this difficult economic time because its investments in a diverse set of high-quality growth businesses could weather the environment and enhance their competitive positioning.

The COVID-19 (COVID) pandemic and its lingering macroeconomic issues have caused excessive market volatility. Over the course of three years, there were two sizable market corrections during which most major indexes decreased more than 25%. But the Fund has performed admirably in both protecting and growing clients' capital. During the COVID-Pandemic and its aftermath (12/31/2019 to 12/31/2022), the Fund had an annualized return of 23.65%. The Index's annualized return was significantly lower at only 3.85%.

### Performance in Challenging Times: Outpacing the Index

	Internet Bubble to Financial Panic 12/31/1999 to 12/31/2008		COVID Pandemic to Macro-Downturn 12/31/2019 to 12/31/2022		Performance in All Times Since Inception 1/31/1992 to 9/30/2025	
	Annualized Return (%)	Value of \$10,000	Annualized Return (%)	Value of \$10,000	Annualized Return (%)	Value of \$10,000
Baron Partners Fund (Institutional Shares)	1.54	11,479	23.65	18,903	15.46	1,264,550
Russell Midcap Growth Index	(4.69)	6,488	3.85	11,200	10.42	281,342
Russell 3000 Index	(2.95)	7,634	7.07	12,273	10.69	305,216

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

The Fund is off to a good start in the current period...

Since the COVID pandemic and subsequent market downturn ended, the Fund has performed well on an absolute and relative basis. Since December 31, 2022, the Fund has returned 28.72% annualized compared to the Index's return of 22.16%. While this is only a partial cycle, we believe we are off to a good start.

Over the longer term, this combination of exceeding the Index in various market environments has been rewarding for clients. A \$10,000 hypothetical investment at the inception of the Fund on January 31, 1992, would have been worth \$1,264,550 as of September 30, 2025. That same \$10,000 hypothetical investment in a fund designed to track the Index would now be worth \$281,342, only approximately 22% of what it would have been worth if invested in the Fund.

### Top 10 holdings

	Year Acquired	Market Cap When Acquired (\$B)	Quarter End Market Cap (\$B)	Quarter End Investment Value (\$M)	Percent of Total Investments (%)
Tesla, Inc.	2014	21.9	1,478.8	2,870.7	33.2
Space Exploration Technologies Corp.	2017	21.6	400.1	1,566.2	18.1
CoStar Group, Inc.	2005	0.7	35.7	579.2	6.7
Arch Capital Group Ltd.	2002	0.6	33.9	560.3	6.5
Hyatt Hotels Corporation	2009	4.2	13.6	469.8	5.4
The Charles Schwab Corporation	1992	1.0	178.2	420.1	4.9
IDEXX Laboratories, Inc.	2013	4.7	51.1	396.1	4.6
Gartner, Inc.	2013	5.7	19.9	323.3	3.7
MSCI Inc.	2018	12.5	43.9	263.8	3.0
Vail Resorts, Inc.	2008	1.6	5.4	225.9	2.6



Thank you for joining us as fellow shareholders in Baron Partners Fund. We continue to work hard to justify your confidence and trust in our stewardship of your hard-earned savings. We remain dedicated to giving you the information we would want if our roles were reversed. We hope this letter enables you to make an informed decision about whether this Fund remains an appropriate investment.

Sincerely,



Ronald Baron  
CEO  
Portfolio Manager



Michael Baron  
Co-President  
Portfolio Manager

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

<sup>1</sup> 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.

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

<sup>3</sup> The performance data in the table does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares.

<sup>4</sup> 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.

<sup>5</sup> Not annualized.

<sup>\*</sup> As of 9/30/2025, the annualized returns of the Morningstar Large Growth Category average were 21.73%, 13.71%, 15.90%, and 14.91% for the 1-, 5-, 10, and 15-year periods, respectively.

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

**Risks:** The Fund is non-diversified which means, in addition to increased volatility of the Fund's returns, it will likely have a greater percentage of its assets in a single issuer or a small number of issuers, including in a particular industry than a diversified fund. Single issuer risk is the possibility that factors specific to an issuer to which the Fund is exposed will affect the market prices of the issuer's securities and therefore the net asset value of the Fund. As of the most recent quarter-end, about 31% of the Fund's assets are invested in Tesla stock. Therefore, the Fund is exposed to the risk that were Tesla stock to lose significant value, which could happen rapidly, the Fund's performance would be adversely affected. Specific risks associated with leverage include increased volatility of the Fund's returns and exposure of the Fund to greater risk of loss in any given period.

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

The discussions of the companies herein are not intended as advice to any person regarding the advisability of investing in any particular security. The views expressed in this report reflect those of the respective portfolio managers only through the end of the period stated in this report. The portfolio manager's views are not intended as recommendations or investment advice to any person reading this report and are subject to change at any time based on market and other conditions and Baron has no obligation to update them. This report does not constitute an offer to sell or a solicitation of any offer to buy securities of Baron Partners Fund by anyone in any jurisdiction where it would be unlawful under the laws of that jurisdiction to make such offer or solicitation.

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QUARTERLY LETTER | SEPTEMBER 30, 2025

# Baron Emerging Markets Fund®

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

## Dear Baron Emerging Markets Fund Shareholder,

### Performance

Baron Emerging Markets Fund (the Fund) gained 10.89% (Institutional Shares) during the third quarter of 2025, while its primary benchmark, the MSCI Emerging Markets Index (the Benchmark), appreciated 10.64%. The MSCI Emerging Markets IMI Growth Index (the Proxy Benchmark) gained 11.48% for the quarter. The Fund slightly outperformed the Benchmark while modestly trailing the Proxy Benchmark during a solid quarter for global equities in our view, driven by the onset of a Federal Reserve (the Fed) easing cycle and ongoing announcements of large-scale investment related to AI data center capacity and graphics processing unit (GPU) commitments. We were pleased with our quarterly results, particularly in light of the lagging performance of Indian equities during the quarter, and we remain comfortably ahead of both the Benchmark and Proxy Benchmark on a year-to-date and one-year trailing basis.

As stated, the initiation of a Fed easing cycle and ongoing enthusiasm towards AI-related investments in our view were the principal drivers of strong global equity returns during the quarter. While there remains considerable uncertainty regarding the potential economic and inflationary impacts of U.S. tariffs, and we suspect this unknown should become clearer in the current quarter, it remains evident that a global central bank easing cycle is now underway. As we have remarked in previous letters, we believe that the vector change in U.S. trade and immigration policy, alongside accommodative monetary policy, likely shifts the epicenter of the global inflation impulse to U.S. shores, which would leave the Fed with less room to maneuver than many foreign counterparts for the first time in decades. In our view the likely result would be steeper rate cuts and more earnings upside in non-U.S. jurisdictions, which we expect, among several other factors, to



Michael Kass  
Portfolio Manager

### Annualized performance (%) for period ended September 30, 2025

	Fund Retail Shares <sup>1,2</sup>	Fund Institutional Shares <sup>1,2</sup>	MSCI Emerging Markets Index <sup>1</sup>	MSCI Emerging Markets IMI Growth Index <sup>1</sup>
QTD <sup>3</sup>	10.86	10.89	10.64	11.48
YTD <sup>3</sup>	31.52	31.79	27.53	28.19
1 Year	21.81	22.11	17.32	19.42
3 Years	18.37	18.69	18.21	18.34
5 Years	5.00	5.27	7.02	5.03
10 Years	7.07	7.35	7.99	8.51
Since Inception (12/31/2010)	5.02	5.28	3.56	4.45

help sustain related equity outperformance for longer than most investors currently expect. We remain encouraged by the strong absolute (and relative) performance of the Fund over the recent quarter and past year, and remain optimistic that our fundamental, theme-driven and bottom-up approach can continue to deliver results in this ongoing environment of significant technological and geopolitical change.

For the third quarter of 2025, we modestly outperformed the Benchmark while slightly trailing our all-cap EM growth Proxy Benchmark. From a sector or theme perspective, solid stock selection effect in the Industrials sector, primarily attributable to select investments in our sustainability/ESG (**Contemporary Amperex Technology Co., Limited**) and China value-added (**Zhejiang Sanhua Intelligent Controls Co., Ltd.**, and **Jiangsu**

*Performance listed in the above table is net of annual operating expenses. Annual expense ratio for the Retail Shares and Institutional Shares as of April 30, 2025 was 1.37% and 1.11%, respectively. The performance data quoted represents past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original cost. The Adviser may waive or reimburse certain Fund expenses pursuant to a contract expiring on August 29, 2036, 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](http://BaronCapitalGroup.com) or call 1-800-99-BARON.*

NON-U.S./GLOBAL

Hengli Hydraulic Co., Ltd.) themes, was the largest contributor to relative performance this quarter. In addition, favorable stock selection effect in the Information Technology sector, owing to a handful of holdings in our semiconductors/AI (**Delta Electronics, Inc., ISC Co., Ltd., and Chroma ATE Inc.**) and China value-added (**Pony AI Inc. and Kingdee International Software Group Company Limited**) themes, was also a notable contributor to relative results. Lastly, our material underweight in the Financials sector, which delivered muted returns in a rising market during the period, also bolstered relative performance. Mostly offsetting the above was adverse stock selection effect across multiple themes in Consumer Discretionary (**Trent Limited, MercadoLibre, Inc., and Swiggy Limited**), Communication Services (**Bharti Airtel Limited and Indus Towers Limited**), and Health Care (**Max Healthcare Institute Limited and Zai Lab Limited**).

From a country perspective, strong stock selection effect in China was the largest driver of relative outperformance during the quarter. In addition, favorable stock selection in Taiwan, driven by some of the above-mentioned holdings, was also a notable contributor to relative performance. Last, solid stock selection in Mexico, owing to **Grupo Mexico, S.A.B. de C.V.**, our sole investment in the country, also bolstered relative results. Mostly offsetting the above was adverse allocation effect in India - the largest detractor during the quarter - and poor stock selection effect in Poland and Korea that also weighed on relative results. We are encouraged by the resilience and outperformance of Chinese equities year-to-date. In our view, a critical mass of global investors is beginning to appreciate the country's AI potential as well as leadership in new age technologies such as electric vehicles (EVs)/batteries, autonomous mobility, humanoid robotics, and renewable energy. While we acknowledge China's longer-term structural headwinds, we believe the bottom-up opportunity set is becoming more evident, and that fundamental and active investors are increasingly likely to generate solid returns. Despite the recent stall in performance, we remain excited about India's structural growth story and believe the market is very likely entering an earnings upgrade cycle. This is supported by a rebound in government infrastructure spending, targeted tax relief for the middle class, benign inflation trends, a normal monsoon improving rural demand, and the rollout of Goods and Services Tax 2.0 or "GST 2.0" (tax relief), which is expected to further boost consumption and economic activity. From a trade perspective, we view the current impasse between the U.S. and India as temporary and are encouraged by the recent conciliatory approach of the U.S. administration toward India, with both sides reengaging in active discussions with an intention to sign a bilateral trade agreement that will lower existing elevated tariff rates.

Top contributors to performance for the quarter

	Contribution to Return (%)
Taiwan Semiconductor Manufacturing Company Limited	1.82
Alibaba Group Holding Limited	1.58
Tencent Holdings Limited	1.55
Delta Electronics, Inc.	1.48
Contemporary Amperex Technology Co., Limited	1.38

Semiconductor giant **Taiwan Semiconductor Manufacturing Company Limited** (TSMC) contributed to performance during the quarter, driven by robust demand for AI chips. We retain conviction that TSMC's technological leadership, pricing power, and exposure to secular growth markets—including AI and high-performance computing, automotive, 5G, and Internet of Things—will allow the company to sustain strong double-digit earnings growth over the next several years.

**Alibaba Group Holding Limited** is the largest retailer and e-commerce company in China. Alibaba operates shopping platforms Taobao and Tmall, and has businesses spanning logistics, local services, digital media, and cloud computing. Shares rose during the quarter due to an acceleration in cloud revenue, driven by AI and positive momentum in quick commerce. Alibaba is ramping capital expenditures over the next three years, committing more than \$53 billion to build out its cloud infrastructure layer and add AI capabilities to existing applications, such as consumer search. Within the company's e-commerce business, quick commerce is showing strong early traction, and management is focused on substantially improving unit economics. We retain conviction that Alibaba is well positioned to benefit from China's ongoing growth in e-commerce and cloud, although competitive concerns remain.

**Tencent Holdings Limited** operates China's leading social and messaging platforms (WeChat and QQ), one of the country's largest online entertainment and media ecosystems, and the country's largest online gaming business. Shares rose during the quarter as core gaming growth continued to reaccelerate, profitability exceeded expectations, and the company reaffirmed its commitment to increased AI investment. Tencent noted that AI is already improving its core advertising technology through better targeting, content ranking, and new forms of engagement such as AI-powered search. We remain confident in the company's ability to compound earnings over time, supported by its diversified growth structure, massive scale, and operational efficiency. Longer term, we also believe Tencent could be a leading beneficiary of generative AI in China, given its ability to enhance existing products and enter adjacent markets through its extensive platform ecosystem. We continue to monitor the regulatory environment.

### Top detractors from performance for the quarter

	Contribution to Return (%)
InPost S.A.	(0.39)
Trent Limited	(0.39)
Indus Towers Limited	(0.29)
Bharti Airtel Limited	(0.28)
Max Healthcare Institute Limited	(0.27)

**InPost S.A.**, Poland's leading logistics operator with a rapidly expanding pan-European presence, detracted from performance during the quarter. Allegro, Poland's top e-commerce platform and InPost's largest customer—contributing around 15% of group revenue—has begun exploring alternative logistics solutions and partnering with multiple providers. This has raised concerns about potential volume pressure in Poland and further market share erosion once the current Allegro–InPost contract expires in 2027. Despite worst-case fears, we believe a full exit by Allegro is unlikely. InPost controls roughly 70% of parcel lockers and 90% of out-of-home delivery volumes in Poland, making a complete transition away from its network highly disruptive to service quality. We remain positive on InPost's market leadership, expanding international footprint, and growing client diversification.

**Trent Limited** is a leading retailer in India that sells private-label apparel direct-to-consumer through its proprietary network. Shares declined during the quarter following lower-than-expected quarterly sales, as retail activity was partly affected by above-normal rainfall. We remain invested as we believe the company can sustain over 25% revenue growth in the near to medium term, driven by same-store-sales growth and outlet expansion. In addition, we expect operating leverage and a growing share of franchisee-operated stores to support stronger profitability and return on capital, driving 30%-plus compound annual EBITDA growth over the next three to five years.

**Indus Towers Limited** is a leading telecommunications tower company in India, holding roughly 60% share in the country's duopolistic tower market. Shares declined during the quarter amid ongoing concerns about key customer Vodafone Idea's ability to raise funding and repay debt, which could weigh on Indus' 5G rollout and growth prospects. We initially invested in the company based on our belief that Vodafone Idea's resumption of monthly payments would support a multiple re-rating for Indus. With that thesis now realized and the upside potential largely captured, we exited our position during the quarter.

### Portfolio Structure

#### Top 10 holdings

	Percent of Net Assets (%)
Taiwan Semiconductor Manufacturing Company Limited	10.3
Tencent Holdings Limited	5.6
Alibaba Group Holding Limited	4.2
Contemporary Amperex Technology Co., Limited	3.3
HD Korea Shipbuilding & Offshore Engineering Co., Ltd.	3.0
Bajaj Finance Limited	2.2
Bharti Airtel Limited	2.1
Kingdee International Software Group Company Limited	2.0
Delta Electronics, Inc.	1.9
Swiggy Limited	1.9

#### Percentage of securities by country

	Percent of Net Assets (%)
China	32.2
India	25.2
Taiwan	14.7
Korea	14.3
Brazil	4.4
Peru	1.8
Mexico	1.7
South Africa	1.2
Poland	1.2
Greece	0.9
Argentina	0.9
Philippines	0.8
Chile	0.6
Spain	0.4
United Arab Emirates	0.2
Russia	0.0*

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

## Recent Activity

During the third quarter, we added several new investments to our existing themes, while also increasing exposure to various positions that we established in earlier periods. We continue our endeavor to add to our highest conviction ideas.

We increased exposure to our digitization theme by initiating a position in **Kuaishou Technology**, China's second-largest short video platform with over 400 million daily active users. While often perceived as an inferior version of Douyin/TikTok, Kuaishou is in fact differentiated by its unique community-driven ecosystem and deep engagement among users from lower-tier cities. We believe the short-video economy has room for multiple players as creator and audience segmentation deepens, and market concerns over user fatigue or competition are overstated. The company's monetization engine continues to strengthen, increasingly aided by AI, with steady improvements in ad efficiency, engagement, and margins, alongside accelerating contributions from e-commerce. We expect mid-to-high-teens earnings growth for its core business over the next few years and see the stock as materially undervalued. In June 2024, Kuaishou introduced Kling, an AI video generation model comparable to OpenAI's Sora, which benefits from Kuaishou's proprietary short-video database - with over 40 million videos uploaded daily - giving it a unique edge in training and fine-tuning. We see Kling as an emerging growth driver with strong platform synergies and long-term monetization potential.

During the quarter, we also added to our China value-added theme by reinitiating an investment in **GDS Holdings Limited**, an operator of mission-critical data center facilities in China and internationally with core customers such as Alibaba, Tencent, Baidu, ByteDance and Kuaishou. In our view, China is in the early innings of scaling its AI ecosystem along with rising penetration of cloud computing, digital payments, and short-form video that should provide secular growth tailwinds for data center operators like GDS. The company's core competitive advantages are underpinned by access to large-scale power in Tier-1 cities in China that can support latency sensitive applications, a long track record of development to meet customer time-sensitive deployments, and leading market share within the third-party carrier-neutral data center space. We have a long history with GDS since its IPO in 2017. We recently traveled to Asia to tour the company's newly developed data center campus in Malaysia and interacted with GDS International's (renamed "DayOne") executive team. We also conducted extensive market due diligence by meeting with several global competitors based in Singapore. In our view, DayOne, which recently completed an impressive private capital raise, will continue to see its valuation rise given its attractive growth outlook. Ultimately, the value of this business should yield \$15 to \$20 per share to GDS over the next 12 to 18 months with a planned listing of the business over the next year. The contracted nature of cash flow growth is under-appreciated with cash flow ramping from approximately \$200 million to \$1 billion over the next two years based on definitive contracts. This implies we are investing in GDS' mainland China business at only 11 to 12 times EBITDA, a steep discount to global peers, suggesting considerable upside.

Furthermore, GDS recently listed a subset of its assets into a public REIT vehicle, which is now valued at more than 20 times cash flow.

As part of our sustainability/ESG theme, we initiated a position in **Sociedad Química y Minera de Chile S.A. (SQM)**, one of the world's largest and lowest-cost producers of lithium, a critical material for EVs and energy storage systems. Our investment thesis is anchored in the structural, long-term growth in lithium demand driven by global electrification and decarbonization trends. SQM's premier assets in the Salar de Atacama provide a lasting cost advantage, underpinned by exceptionally high lithium concentrations and a solar evaporation process that supports industry-leading margins through all phases of the lithium cycle. Following a sharp correction in 2023, we believe the lithium market is emerging from a cyclical trough. Importantly, China's recent "anti-involution" campaign, aimed at curbing destructive price competition and enforcing production discipline, marks a potential turning point for industry supply behavior, setting the stage for a healthier, more sustainable pricing environment. Beyond lithium, SQM's diversified portfolio, notably its stable and high-margin iodine business, adds earnings resilience relative to pure-play peers.

During the quarter, we also increased exposure to our global security/supply chain diversification theme by building a position in **Bharat Electronics Limited (BEL)**, a leading defense electronics manufacturer in India with approximately 60% market share. The company is also the second largest Defense Public Sector Unit under India's Ministry of Defense. BEL develops a wide range of equipment and systems in fields such as defense communication, radars, tank electronics, electro optics, arms and ammunition, and unmanned systems. Most of its revenue comes from the Indian government and government-related entities, with customers including India's Army, Navy, Air Force, and state governments. As a system integrator, BEL has consistently invested in research and development while implementing cost-reduction measures, resulting in industry-leading profitability metrics. In our view, BEL is well positioned to benefit from the Indian government's policy initiatives to encourage indigenous design, development, and manufacturing of defense equipment. We are also excited about other growth drivers for the company, including India's rising defense budget and the growing export and non-defense opportunities. We expect BEL to deliver 15% to 20% compounded earnings growth in the next three to five years.

We added to several of our existing positions during the quarter, including **Fuyao Glass Industry Group Co., Ltd.**, **XPeng Inc.**, **Alibaba Group Holding Limited**, **Pony AI Inc.**, **Eternal Limited**, **Jiangsu Hengli Hydraulic Co., Ltd.**, and **Max Healthcare Institute Limited**.

During the quarter, we also exited several positions: **Indus Towers Limited**, **NARI Technology Co. Ltd.**, **Shenzhou International Group Holdings Ltd.**, **Midea Group Co., Ltd.**, **Meituan**, **Suzano S.A.**, **Li Auto Inc.**, and **Sigma Lithium Corporation**, as we continue our endeavor to allocate capital to our highest convictions ideas.



## Outlook

Global equities added to solid year-to-date gains during the recently ended third quarter, with the initiation of a Fed easing cycle and ongoing enthusiasm towards AI-related investments in our view being the principal catalysts. While there remains considerable uncertainty regarding the potential inflationary impact of U.S. tariffs, and we suspect this factor should begin to become clearer in the current quarter, it remains evident that a global central bank easing cycle is underway. As we have remarked in previous letters, we believe that the paradigm shift in U.S. trade and immigration policy, alongside accommodative monetary policy, likely shifts the epicenter of the global inflation impulse to U.S. shores, leaving the Fed with less room to maneuver than many foreign counterparts for the first time in decades. In our view, the likely result would be steeper rate cuts and more earnings upside in non-U.S. jurisdictions, which we expect to help sustain related equity outperformance for longer than most investors currently expect.

A second major driver of global equities during the recent quarter was continued optimism regarding the transition from AI training to inferencing, evidenced by a succession of announcements related to large-scale AI data center, GPU, and power sector commitments. The promise of AI productivity gains continues to dominate investor attention, and we have remarked in recent letters that non-U.S. jurisdictions, particularly Taiwan and Korea, offer many attractive candidates in which to invest, from well-known, large-cap global players such as **Taiwan Semiconductor Manufacturing Company Limited**, **Delta Electronics, Inc.**, and **SK hynix Inc.** to smaller more specialized plays such as **ASPEED Technology Inc.**, **eMemory Technology Inc.**, and **ISC Co., Ltd.** While the developing AI ecosystem led by U.S. hyperscalers and GPU designers such as Microsoft/OpenAI, Alphabet, Meta, Amazon, NVIDIA and Broadcom is well appreciated, we have commented for over a year that less recognized or accepted are the impressive advances China has been making in its technology arena, though handicapped and against the odds, particularly related to AI, semiconductors, automated driving, EV battery technology and humanoid robotics; though, as we also have stated, we felt 2025 would prove to be the year that global investors finally realize they can no longer ignore what is happening there. First was the “DeepSeek moment” early in the year, and then Alibaba’s “AI moment” late in the third quarter. Suddenly, it appears the China AI ecosystem – the only potential rival to that of the U.S. – is finally gaining respect and investor recognition.

The American hyperscalers are set to invest nearly \$400 billion in data center infrastructure this year alone, marking the third consecutive year of frenzied expansion in what appears an AI arms race. By contrast, China's technology giants are only beginning their buildout, about two years behind their U.S. counterparts, with annual spending still under \$50 billion. China's ambition and capabilities have now become clear – to achieve global relevance and market share while driving productivity and economic growth. Alibaba's CEO, Eddie Wu, recently projected that by 2032, the company's data center energy consumption will be ten times higher than 2022 levels – a massive expansion

in computing power. The U.S. of course retains a solid lead in cutting-edge GPUs and frontier model development, but concerns about capital intensity, overcapacity, and the shrinking useful life GPU design/productivity advantage are mounting. China, by contrast, is navigating this cycle with discipline, perhaps out of necessity, as sweeping U.S. export restrictions have pushed Chinese firms to adopt a “do more with less” mentality. Indeed, they have doubled down on open-source large language models, where Chinese companies have emerged as global leaders, and pioneered architectural breakthroughs that enable performance comparable to top U.S. models at a fraction of the computing cost.

Beyond increasingly competitive hardware and software, China possesses four structural advantages. First, data: with 1.1 billion internet users, the world's largest digital population, Chinese AI models benefit from unmatched user interaction data essential for training generative systems. Second, talent: China is home to roughly half the world's AI researchers. Third, power: China is expected to add over 500 gigawatts of new capacity in 2025, nearly ten times U.S. additions, providing the vast energy resources needed for AI data centers, at a time when the U.S. faces growing power constraints. Fourth, cost: China's large pool of skilled, low-cost engineers, combined with unmatched manufacturing scale and supply chain efficiency, enables it to build and operate AI infrastructure far more economically than in the U.S. and Europe.

Our investment approach reflects conviction across the entire AI stack. Our holding in **Alibaba Group Holding Limited** captures the infrastructure and model layers, as the company is a principal provider of cloud computing resources for AI workloads, from chip design to model training to enterprise deployment. Our position in **Tencent Holdings Limited** offers exposure to the application layer, with the company uniquely positioned to apply AI across its dominant platforms in social networking, gaming, and digital services—areas where AI integration is already boosting engagement and monetization. We expect our investments in **Pony AI Inc.**, a global leader in autonomous mobility, and **Zhejiang Sanhua Intelligent Controls Co., Ltd.**, a major supplier of robot actuators, to benefit from the emergence of robotaxi services and humanoid robotics – both examples of “physical AI.” Finally, we believe other holdings such as **GDS Holdings Limited**, **Kingdee International Software Group Company Limited**, **Kuaishou Technology**, **XPeng Inc.**, **Zhejiang Shuanghuan Driveline Co., Ltd.**, and **Zhejiang Sanhua Intelligent Controls Co., Ltd.** are also well-positioned to capture significant upside from China's AI and broader technology transformation. In addition, as we look forward, our research suggests an increasing possibility of a marked improvement in economic relations between the Trump administration and China. We do not believe the market currently expects any “grand compromise” and will not elaborate until more concrete evidence and/or details become clear, however we would consider any such development as upside to our current base case for both China and emerging markets equities in general.

While China-related equities led global gains in the third quarter (and are now up more than 40% year-to-date), largely due to factors detailed above, Indian equities stalled amid concerns



over U.S. tariff rates and broader geopolitical uncertainty vis-à-vis the U.S. While we are quite pleased that our year-to-date performance comfortably exceeds our Benchmark even with our largest overweight jurisdiction markedly underperforming, more importantly we are quite confident that India is nearing an earnings upgrade cycle driven by several catalysts: an abrupt pickup in government capex, central bank rate cuts, a material reduction in GST tax rates which will flow directly to consumers and businesses, and a normal monsoon season (a big improvement from last year, setting up favorable comparisons go forward). Further, we believe investors are misguided and misunderstand the near-term perceived deterioration in U.S./India trade and foreign relations, and we suspect such relations and tariff rates will be reset within the next several months. In summary, we maintain high conviction in our investments in India and look forward to improved returns from this part of our portfolio.

We look forward to our next update and *thank you for investing in the Baron Emerging Markets Fund.*

Sincerely,



Michael Kass  
Portfolio Manager

<sup>1</sup> The MSCI Emerging Markets Index Net (USD) is designed to measure equity market performance of large and mid-cap securities across 24 Emerging Markets countries. The MSCI Emerging Markets IMI Growth Index Net (USD) is a free float-adjusted market capitalization index designed to measure equity market performance of large, mid and small-cap securities exhibiting overall growth characteristics across 24 Emerging Markets countries. MSCI is the source and owner of the trademarks, service marks and copyrights related to the MSCI Indexes. The indexes and the Fund include reinvestment of dividends, net of foreign withholding taxes, which positively impact the performance results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly in an index.

<sup>2</sup> The performance data does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares.

<sup>3</sup> Not annualized.

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

**Risks:** In addition to the general stock market risk that securities may fluctuate in value, investments in developing countries may have increased risks due to a greater possibility of: settlement delays; currency and capital controls; interest rate sensitivity; corruption and crime; exchange rate volatility; and inflation or deflation. The Fund invests in companies of all sizes, including small and medium sized companies whose securities may be thinly traded and more difficult to sell during market downturns.

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

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

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

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

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

QUARTERLY LETTER | SEPTEMBER 30, 2025

# Baron Global Opportunity Fund®

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

## Dear Baron Global Opportunity Fund Shareholder,

### Performance

It was an okay quarter.

Baron Global Opportunity Fund (the Fund) gained 7.7% (Institutional Shares), in line with the 7.6% gain for the MSCI ACWI Index (the Index), and the 9.0% gain for the MSCI ACWI Growth Index, the Fund's benchmarks.

Year to date, the Fund is up 19.7% compared to gains of 18.4% and 19.1% for the benchmarks, respectively.

Three quarters of the year are in the books, and all the major global market indexes are sporting nice gains. Liberation Day tantrum, the market has continued to grind higher, driven by the anticipated interest rate cuts by the Federal Reserve (the Fed) and of course, the daily barrage of AI announcements and deals. On September 9, Oracle announced a massive backlog of AI bookings which soared to \$455 billion (measured by Remaining Performance Obligations), an increase of 359% year-over-year. The news overshadowed the company's miss of its quarterly revenues and earnings per share estimates, and its stock surged 36%, adding approximately \$245 billion to its market capitalization. Less than two weeks later, on September 22, **NVIDIA** announced a \$100 billion investment into OpenAI, which committed to purchase and deploy enough NVIDIA chips to power 10 gigawatts (GWs) of compute, worth approximately *half a trillion dollars*<sup>4</sup>. While we have been anticipating this accelerating pace of AI investments, we along with the rest of the market participants were caught a bit off guard by this massive scale. Add to this that company earnings have generally been better than expected, with more positive earnings revisions, and you have pretty good ingredients for the markets continuing to move higher.

*Performance listed in the table above is net of annual operating expenses. The gross annual expense ratio for the Retail Shares and Institutional Shares as of April 30, 2025 was 1.22% and 0.96%, respectively, but the net annual expense ratio was 1.16% and 0.91% (net of the Adviser's fee waivers, comprised of operating expenses of 1.15% and 0.90%, respectively, and interest expense of 0.01% and 0.01%, respectively), respectively. The performance data quoted represents past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original cost. The Adviser waives and/or reimburses certain Fund expenses pursuant to a contract expiring on August 29, 2036, 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](http://BaronCapitalGroup.com) or call 1-800-99-BARON.*



Alex Umansky  
Portfolio Manager

### Annualized performance (%) for period ended September 30, 2025<sup>†</sup>

	Fund Retail Shares <sup>1,2</sup>	Fund Institutional Shares <sup>1,2</sup>	MSCI ACWI Index <sup>1</sup>	MSCI ACWI Growth Index <sup>1</sup>
QTD <sup>3</sup>	7.82	7.71	7.62	8.98
YTD <sup>3</sup>	19.71	19.72	18.44	19.07
1 Year	33.85	33.91	17.27	22.21
3 Years	19.85	20.07	23.12	27.54
5 Years	1.51	1.73	13.54	13.25
10 Years	14.46	14.71	11.91	14.34
Since Inception (4/30/2012)	12.29	12.53	10.56	12.61

There was not much insight to be gleaned from a quarterly performance attribution perspective, which is to be expected in an in-line quarter with 9bps of outperformance versus the Index. Our best sectors were Health Care and Information Technology (IT), which gained 25.4% and 12.4%, respectively. Within Health Care, results were driven by the strong performance in our biotechnology holding, **argenx**, which reported excellent financial results that beat investor expectations. Within IT, we saw broad strength, with **Shopify** continuing to post great financial results, while our semiconductor holdings, **NVIDIA**, **Taiwan Semiconductor** (TSMC), and **ASML** continued to benefit from everything AI. The strength in Health Care and IT was offset by weakness in Consumer Discretionary, mainly because of the pullback in **MercadoLibre**, due to weaker macro in Argentina, as well as the short-term impact to profitability from expanding free shipping in Brazil. From a geographical perspective, the

Fund outperformed in developed markets, driven by Canada and the U.S., which was mostly offset by our investments in “other” markets (MercadoLibre and **Globant** in Argentina).

From an absolute return and stock specific perspective, we had 22 contributors against 14 detractors. **Eternal** (formerly known as Zomato), TSMC, ASML, **Tesla**, and **GDS** contributed over 50bps each to absolute returns, while Shopify, NVIDIA, **SpaceX**, and argenx generated over 100bps each. On the other side of the ledger, we had only two significant detractors: MercadoLibre, which cost us 108bps, and **InPost**, which detracted 54bps. We are confident that neither drawdown is likely to result in permanent losses of capital.

*“History doesn’t repeat itself, but it often rhymes.”*

– Mark Twain

### Is this the internet bubble all over again?

We don’t think so. One does not have to be a student of history to recognize some obvious similarities. On October 13, 1994, Netscape released its first browser – the Mosaic, which quickly captured the imagination of the tech community. It was the very first stock I had recommended to my first employer’s head of equity growth investing when the company filed to go public in August of 1995. “But they don’t make any money!” he said in the closest possible imitation to Mr. Wonderful. “Would you bet your bonus on it?” – “Yes, sir.” “Would you bet your career on it?” – “Yes, sir!” As a junior tech analyst, I wasn’t expecting much of either, and I was the only one on the desk who saw no connection between being a public company and having actual profits. The five million share offering was expected to price at \$14 per share, but the underwriters had never seen this much demand, and so they priced it 100% above that, at \$28. The stock opened at \$71, peaked at \$74.75 before closing the first day of trading at \$58.25 and marking the beginning of the dot-com era. Many people started writing about how the internet will change the world and our lives, but few, if any, were able to articulate exactly how. In early 1996, Bill Clinton signed into the law the Telecom deregulation act, catalyzing a massive investment cycle into the infrastructure layer (fiber). But of course, there was no e-commerce yet, no social media, no streaming, no smart phones, no cloud computing, etc. – the application layer had not been built out yet. In December of 1996, Alan Greenspan first talked about “irrational exuberance” asking “how one could know when the stock market had become too excited and was potentially overvalued,” leading to speculation about the dot-com bubble that appeared to be growing at the time. Of course, grow it did, and it did not stop growing until the NASDAQ Composite Index reached a high of \$5,049 in March of 2000 – 557% higher than it was on October 13, 1994 (\$768) for a compounded annual return of 41.7%.

Almost exactly 28 years later, in October of 2022, OpenAI released to the public ChatGPT. It reached over one million registered users in the first five days and over 100 million registered users in the first two months.

Less than three years later... OpenAI is estimated to have \$13 billion in annual recurring revenues and a valuation of \$500 billion with an investor base highlighted by Microsoft, Softbank, and NVIDIA, making it the most valuable private company in the world. As soon as Oracle gave the AI trade a boost with its unexpected \$455 billion order backlog, Alphabet said its own cloud-computing business has a \$106 billion backlog, while Microsoft announced a \$19.4 billion deal with Nebius to get more capacity. NVIDIA followed with its own order of up to half a trillion dollars, and Broadcom announced a \$10 billion order from a new customer (most likely OpenAI). Add in an IPO frenzy (remember the talking dog sock puppet of Pets.com?) with companies that have yet to make a profit enjoying strong public debuts and the NASDAQ Composite Index hitting new record highs every week and the parallels to 2000 may start to feel eerily familiar.

### But... that’s where the similarities end.

Bubbles are marked by “bubble thinking,” where investors stop questioning valuations and believe that an asset must be owned regardless of price. Today, we observe the opposite. Whether it is Liberation Day a few months ago, or a Fed-induced sell-off in 2022, still fresh in investors’ minds, market participants are clearly nervous and complaints about AI-driven irrational exuberance and excessive valuations are front and center across every financial publication we see. Ironically, valuations are far more rational and reasonable in 2025. In March of 2000, the seven largest “internet beneficiaries” traded at approximately 104 times earnings estimates<sup>5</sup>. The Roundhill Magnificent Seven ETF trades at about 32 times. That’s not cheap, but hardly bubbleliciously expensive either. Cisco, the mega-cap company that was the poster child for internet enthusiasm saw its multiple expand from around 30 times in 1996-1997 to 126 times in March 2000, while Oracle, 2025’s version of Cisco, went from a P/E of approximately 30 times to 106 times. Today’s valuations are not in the same zip code. NVIDIA is at 32 times (lower than its 5-year average of 39 times), Alphabet at 23 times, Meta at 24 times, both around market multiples, Microsoft at 32 times, and even Oracle is at 40 times. Obviously, valuations today should be higher compared to the late 1990s as interest rates are expected to be structurally lower, and the leaders of the digital economy today are driven by platform companies that have proven to be massively more profitable with stronger competitive advantages, and anticipated durable growth.

The dot-com bubble burst after a series of interest rate hikes from the Fed, which peaked at 6.5% in May of 2000, increasing the cost of capital and driving up borrowing costs for tech companies that had taken on heavy debt loads. In contrast, the Fed is likely to resume a rate-cutting cycle with the consensus expectations of 50bps of cuts in the December quarter. Stephen Miran, the odds-on favorite to ascend to the Fed chair post early next year, is on the record that interest rates in the mid-2% range are more appropriate today (compared to 4% to 4.25% currently), and so the path of interest rates in the foreseeable future is clearly pointing downward. With more than \$7 trillion sitting in money market funds facing lower yields due to lower interest rates, plenty of dollars could be heading into the stock market.

Watching for tangible signs of AI demand and refreshing the lessons learned from the dot-com bubble is wise. But in our experience, bubbles do not get formed when everyone is anxious and valuation conscious. They certainly do not burst while the Fed is aggressively cutting interest rates, and the leading players are generating tens of billions of dollars in cash and are able to raise capital at will. In our experience the signs are more subtle, like your barber starting to give you stock tips, and your gardener handing in his notice because he is making more money day-trading the market.

#### Top contributors to performance for the quarter

	Quarter End Market Cap (\$B)	Contribution to Return (%)
Shopify Inc.	193.0	1.66
NVIDIA Corporation	4,533.9	1.65
Space Exploration Technologies Corp.	400.1	1.56
argenx SE	45.1	1.09
Eternal Limited	35.4	0.65

**Shopify Inc.** is a cloud-based software provider for multi-channel commerce. Shares rose 28.6% during the quarter as the company continued to deliver solid results, with second quarter revenue up 30% year-over-year in constant currency, reflecting sustained market share gains driven by 29% growth in gross merchandise volume (GMV). Growth was broad based across Shopify's core e-commerce merchant base and supported by successful expansion into offline, international, and business-to-business channels, which grew 29%, 42%, and 101%, respectively. Shares also benefited from progress in agentic commerce, underscored by Shopify's recently announced partnership with OpenAI, the owner of ChatGPT. We believe the company's maturing product suite is becoming increasingly attractive to merchants of all sizes and geographies, enabling it to further expand its addressable market. We remain shareholders due to Shopify's strong competitive positioning, innovative culture, and long runway for growth, as it still holds less than a 2% share of the global commerce market.

**NVIDIA Corporation** is a fabless semiconductor company specializing in compute and networking platforms for accelerated computing. Its dominant position in AI infrastructure with a comprehensive portfolio spanning graphics processing units (GPUs), systems, software, and high-performance networking solutions, continues to drive strong performance. Shares rose 18.1% during the quarter as investor confidence in AI infrastructure expansion grew. NVIDIA reported mid-term visibility of tens of GWs in AI buildouts, with each GW representing an estimated \$35 billion total addressable market (TAM). During its last earnings call, the company announced that its long-term TAM expanded from \$1 trillion to between \$3 and \$4 trillion, while more recently announcing a 10 GW deal with OpenAI. As AI infrastructure investment accelerates, NVIDIA's leadership continues to strengthen through durable moats across compute silicon, networking, systems, software, and supply chain. We maintain a long-term constructive view, as leading AI labs show growing confidence in their ability to achieve human-level intelligence and deploy AI products in enterprise settings. All the industries

bottlenecked by intelligence will leverage AI, unlocking trillions of dollars in value. Most of these AI workloads will be supported by large language models running in the datacenters. NVIDIA is uniquely positioned to power this transformation through its full-stack approach, spanning silicon, systems, software, and developer ecosystem, and hence its competitive moat continues to widen.

**Space Exploration Technologies Corp. (SpaceX)** is a high-profile private company founded by Elon Musk. The company's primary focus is on developing and launching advanced rockets, satellites, and spacecrafts, with the ambitious long-term goal of making life multi-planetary. SpaceX is generating significant value with the rapid expansion of its Starlink broadband service. The company is successfully deploying a vast constellation of Starlink satellites in Earth's orbit, reporting substantial growth in active users, and regularly deploying new and more efficient hardware technology. Furthermore, SpaceX has established itself as a leading launch provider by offering highly reliable and cost-effective launches, leveraging the company's reusable launch technology. SpaceX capabilities extend to strategic services such as human spaceflight missions. Moreover, SpaceX is making tremendous progress on its newest rocket, Starship, which is the largest, most powerful rocket ever flown. This next-generation vehicle represents a significant leap forward in reusability and space exploration capabilities. We value SpaceX using prices of recent stock transactions.

#### Top detractors to performance for the quarter

	Quarter End Market Cap (\$B)	Contribution to Return (%)
MercadoLibre, Inc.	118.5	(1.08)
InPost S.A.	6.1	(0.54)
Endava plc	0.5	(0.44)
Adyen N.V.	50.4	(0.34)
Codere Online Luxembourg, S.A.	0.3	(0.31)

**MercadoLibre, Inc.**, the leading e-commerce marketplace across Latin America, detracted from performance as shares declined 10.6% due to macro and competitive pressures and despite strong quarterly results across GMV – up 21% year-on-year, total payments volume – up 39%, and revenues – up 34%. On the macro side, the sharp sell-off in Argentine assets weighed heavily on the shares given that Argentina represents roughly 20% of MercadoLibre's revenues and 40% of direct group contribution. The Argentine business, which had been a source of recent growth upside and upward forecast revisions, now faces potential downside as consumer confidence and currency stability have deteriorated. At the same time, Amazon, one of MercadoLibre's largest competitors in the region, announced new promotional rates for sellers in Brazil, reinforcing concerns around intensifying competition in e-commerce. While these factors drove near-term pressure, we maintain conviction in MercadoLibre's long-term opportunity: the company remains uniquely positioned to capture a large share of Latin America's underpenetrated e-commerce and fintech markets, with scale, brand trust, and a powerful ecosystem that continue to provide significant competitive advantages.



**InPost S.A.**, Poland's leading logistics operator with a rapidly expanding pan-European presence, detracted from performance during the quarter as shares declined 26.1%. Allegro, Poland's top e-commerce platform and InPost's largest customer—contributing around 15% of group revenue—has begun exploring alternative logistics solutions, partnering with different providers. This has raised concerns about potential volume pressure in Poland and further market share erosion once the current Allegro–InPost contract expires in 2027. Despite worst-case fears, we believe a full exit by Allegro is unlikely as InPost controls roughly 70% of parcel lockers and 90% of out-of-home delivery volumes in Poland, making a complete transition away from its network highly disruptive to service quality. We also believe that over time, as the international part of the business continues to outgrow Poland, the risk from Allegro is being mitigated. We remain positive on InPost's market leadership, expanding international footprint, and growing client diversification, and believe there is a long runway for growth – we therefore remain shareholders.

Shares of IT services provider **Endava plc** declined 43.3% in the third quarter due to a continuation of soft demand trends. Organic revenue fell modestly in the recent quarter while management provided soft guidance for fiscal year 2026, assuming flat revenues (in constant currency). Revenue growth remains tepid due to continued demand softness, and margins will be impacted by AI-led investments and higher compensation costs. Client demand remains sluggish due to hesitancy about fast-moving AI technology and macroeconomic uncertainty. We reduced the position given a lower growth outlook.

## Portfolio Structure

The portfolio is constructed on a bottom-up basis with the quality of ideas and conviction level having the most significant roles in determining the size of each individual investment. Sector and country weights are an outcome of the stock selection process and are not meant to indicate a positive or a negative “view.”

As of September 30, 2025, the top 10 positions represented 58.4% of the Fund, and the top 20 represented 84.3%. We ended the third quarter with 42 investments.

Our investments in the IT, Consumer Discretionary, Industrials, Financials, and Health Care sectors, as classified by GICS, represented 98.8% of the Fund's net assets. Our investments in non-U.S. companies represented 52.4% of net assets, and our investments in emerging markets and other non-developed countries (Argentina) totaled 32.9% of net assets.

## Top 10 holdings

	Quarter End Market Cap (\$B)	Quarter End Investment Value (\$M)	Percent of Net Assets (%)
Space Exploration Technologies Corp.	400.1	69.4	10.4
NVIDIA Corporation	4,533.9	66.6	10.0
MercadoLibre, Inc.	118.5	53.4	8.0
Shopify Inc.	193.0	38.3	5.7
Coupang, Inc.	58.7	35.8	5.4
Cloudflare, Inc.	74.8	28.3	4.2
Taiwan Semiconductor Manufacturing Company Limited	1,448.6	26.3	3.9
Eternal Limited	35.4	24.3	3.6
argenx SE	45.1	24.0	3.6
Bajaj Finance Limited	70.0	22.9	3.4

## Percentage of securities by country

	Percent of Net Assets (%)
United States	46.5
Netherlands	9.0
Argentina	8.0
India	7.1
Canada	5.7
Korea	5.4
Taiwan	3.9
Brazil	3.8
Israel	3.3
China	3.2
Poland	1.5
Spain	1.3
United Kingdom	0.2

## Recent Activity

We initiated three new investments during the quarter: the collaborative design platform, **Figma**, the AI-powered med-tech heart disease diagnostics company, **Heartflow**, and the network security solutions provider, **Netskope**.

We also added to seven existing holdings: core long-term position in **Taiwan Semiconductor** as well as our newer position in the leading Latin-American neobank, **Nu Holdings**, and the aerospace and defense aftermarket parts supplier, **Loar Holdings**. We also took advantage of stock price volatility to add to our investment in the leading website building platform, **Wix** and in the leading European out of home e-commerce delivery platform, **InPost**, as well as to the Identity, Governance, and Administration-focused cybersecurity provider, **SailPoint**, and the Chinese e-commerce platform, **PDD**.

We have reduced three existing holdings and exited our investment in **Globant** in order to reallocate capital to ideas in which we believe the risk-reward equation was more attractive.

#### Top net purchases for the quarter

	Quarter End Market Cap (\$B)	Net Amount Purchased (\$M)
Taiwan Semiconductor Manufacturing Company Limited	1,448.6	6.7
Netskope, Inc.	8.7	5.3
Heartflow, Inc.	2.8	3.5
Wix.com Ltd.	9.9	3.1
Nu Holdings Ltd.	77.4	2.9

Our largest new position in the third quarter was **Netskope, Inc.**, a leading cybersecurity company specializing in Secure Access Service Edge (SASE). SASE is a large, fast-growing IT category that converges several historically separate networking and security products, including data loss prevention, secure web gateways, cloud application access, and private network access. Netskope provides a unified SASE platform that inspects and secures all of a company's data traffic – whether to the web, the cloud, or private applications – allowing it to enforce security policies, prevent data loss, and stop threats in real-time, all while enhancing network speed and performance. The company serves over 4,300 customers, including more than 30% of the Fortune 100.

The rising cybersecurity threat environment, proliferation of cloud and AI applications, and new regulatory requirements have made SASE a critical priority for large enterprises. Gartner expects the \$15 billion addressable market today to nearly double by 2028. Netskope has been gaining market share in this space due to its next-generation technology. Unlike many peers who rely on public cloud infrastructure, Netskope spent years and hundreds of millions of dollars to build and operate its own global network of over 120 data centers. This gives the company full control over performance and results in faster connectivity for its users. Critically, Netskope's founders designed the platform to deeply inspect and understand the "language of the cloud," (inspecting communication protocols such as JSON and APIs) allowing for far more granular control over how employees interact with modern applications, including new generative AI tools. This unique architecture has resulted in strong win rates, accelerating revenue growth, and best-in-class customer retention, with a 96% gross retention rate.

We believe Netskope is a big idea with significant market expansion opportunities. New customer growth has accelerated, while the company maintains a healthy 117% net revenue retention rate as existing customers expand their usage. With the average customer still using only a fraction of Netskope's 20-plus products, there is a long runway for continued wallet share capture. Furthermore, with the heavy capital investment in its global network largely complete, the company has begun to generate strong operating leverage. We expect this trend to continue as Netskope scales, driving substantial free cash flow generation and creating long-term shareholder value.

Our second largest new purchase in the quarter was **Heartflow, Inc.**, a medical device company providing an AI-powered engine to diagnose heart disease. Heart disease is responsible for 1 in 5 deaths in the U.S., and every 40 seconds someone has a heart attack creating an urgent need to quickly and accurately catch the disease before reaching this stage. Heartflow's solution provides a minimally invasive way to catch blockages in the heart vessels, reducing both false negatives and false positives relative to standard of care today, thanks to their ability to measure the actual disease itself rather than surrogates and systems, which is the standard of care. Heartflow's CEO, John Farquhar, at the Morgan Stanley conference in September: *"30% of the time someone's told they're okay, they're sent home, where in reality they're not okay. They ought to be getting taken care of. And 50% of the time they're sent downstream into the cath lab when they don't need to be there."*

The company has a strong competitive moat, with a repository of 110 million images supplemented by human-aided training that has taken over 10 years to build. We also like the asset-light nature of the business, along with the margin expansion opportunity as the AI algorithm gets smarter with scale and data, enabling Heartflow to reduce the number of employee hours involved in real-time workflows.

Heartflow is also a big idea as it is still in the very early innings of its growth ramp. The company has over 600 peer-reviewed publications, its solution has been approved by the FDA, and its core product has 99% insurance coverage. The company is only low single-digit penetrated into its addressable market, and additionally is launching a new add-on product for plaque analysis that will utilize the same analytics backbone and thus comes in at extremely high incremental margins. **We believe Heartflow is a model for the next generation of health care companies, which will be powered by big data and AI in order to make health care more efficient, less costly, and save lives on a broad scale.** CEO at the Morgan Stanley conference in September: *"And then longer term, we're going to get into this asymptomatic opportunity... And I do think one day the market's going to move towards screening for heart disease like you screen for other big killers like cancer."* After following the company for several years and holding multiple meetings with management while it was still privately owned, we decided to participate in its IPO in August 2025.

Lastly, we also initiated a new position in **Figma, Inc.**, a software business that offers both designers and non-designers (designers work alongside developers, product managers, researchers, marketers, writers, and other non-designers) a collaborative product to ideate, visualize, build, and ship software – to help companies deliver the best possible user interface in order to optimize user experience and overall customer satisfaction. With the expansion of its product portfolio over the last few years, the company has broadened its focus from traditional designers to non-designers creating a platform that helps teams across companies of all sizes share and explore ideas, align on a vision, visualize concepts, and translate them into coded products – all on a single, connected, AI-powered platform that collaborators around the world can access with a web browser (think "Google Docs" for everything that comprises software design).

Figma’s business model is 100% subscription based, with a land and expand approach to the over \$30 billion TAM comprised of the global workforce engaged in software design. Figma has been taking share over the last decade and has become the dominant vendor in the design space, enabling it to grow well above market – thanks to the quality of its offering, replacing a variety of point solutions across the design and collaboration landscape. The company generated \$749 million in subscription revenue, over 48% year-over-year with 30% adjusted free cash flow margins in 2024. The company’s unique product helped it reach an 80% market share within its core design end market (around 85% of revenue) with the key longer-term opportunity to extend into attractive non-designer adjacencies. We believe the company also has a significant opportunity in AI due to the accelerated pace of software development, the growing number of surfaces for creation, and the fact that humans would always be visual creatures, increasing the importance of design as the differentiator for customers. Dylan Field, Figma’s Co-Founder and CEO, further emphasized this during the company’s second quarter earnings call: *"Design is now the differentiator. It's how companies win or lose. And our goal at Figma is to build and expand our platform so we can do even more to unleash the taste and craft of our customers who together are shaping and defining this next era of digital products."*

Our largest add during the quarter was **Taiwan Semiconductor Manufacturing Company Limited (TSMC)** as we continued to build our position. We believe that while near-term uncertainty is heightened due to the developing China-U.S. geopolitical relations, TSMC’s competitive positioning in leading-edge semiconductor manufacturing remains unmatched with a 90% market share (and 65% overall). TSMC’s unique positioning in the market is underlined with the company’s ability to raise prices as demand for its next generation nodes continues to be robust – this should also enable TSMC to offset any margin pressures from cost inflation or the headwinds from opening fabs in the U.S. at an accelerated pace. We also believe that TSMC will benefit from a long duration of growth as the adoption of AI continues to accelerate. Note that TSMC will benefit regardless of the ultimate market share split between NVIDIA, Advanced Micro Devices, OpenAI or Anthropic and whether application-specific integrated circuits would garner any significant market share. It’s the ultimate picks and shovels supplier to AI.

We also added to our position in the website builder, **Wix.com Ltd.** Shares responded negatively to the company’s second quarter results despite reporting accelerating key performance indicators - its Q1 2025 cohort was the best post COVID-19 cohort growing 12% year-on-year, while the Q2 2025 cohort was even better at over 14%, and the July cohort grew 20%. Wix also announced the acquisition of Base44 – which is a microcosm of the acceleration in entrepreneurship generative AI enables. Base44 is a vibe-coding startup that was founded by Maor Shlomo, a 31-year old Israeli, in January 2025 by himself, raised no capital and yet was able to get first revenues in March, become profitable in May, and reached \$3.5 million annual recurring revenue (ARR) in June. Wix acquired it for \$80 million (with additional undisclosed earnouts to keep Maor onboard for the next four years at least), and the

company guided to \$40 million to \$50 million ARR for Base44 by year-end 2025 – with Similarweb data released later in the quarter showing a potential acceleration to these numbers. Vibe-coding is essentially the new generation of no-code app builders. It enables users to build a SaaS app without coding at all – by just telling an AI what you want to build. Shlomo described how instead of using external SaaS apps for managing Base44, he would use Base44 to build custom apps, enabling him to save money. While there is a range of outcomes of how successful it could become in a crowded space, Base44 opens a new opportunity for Wix, and if it succeeds, it could become fairly significant and quickly – we are seeing ARR growth rates in the AI space, like we have not seen elsewhere. Apart from Base44, the stock remains attractively valued for the opportunity with free cash flow margins approximating 30%, and a mid-teens growth profile, trading at a 13 times EV/FCF multiple.

Top net sales for the quarter

	Quarter End Market Cap or Market Cap When Sold (\$B)	Net Amount Sold (\$M)
Shopify Inc.	193.0	25.5
Endava plc	0.5	3.7
Globant S.A.	2.7	3.6
argenx SE	45.1	3.0

While we continue to believe that **Shopify Inc.** (up 28.6% during the quarter) and **argenx SE** (up 34.8% in the quarter) are high-quality businesses with significant opportunities ahead, we took advantage of market volatility to manage position sizing and to reallocate to other ideas. We also significantly reduced our position in **Endava plc** and sold **Globant S.A.** as we have lower conviction in their future prospects.

Outlook

Linear thinking vs. exponential growth

In September, we spent a week on the West Coast meeting with management teams of public companies, early and later stage private companies, entrepreneurs, venture capital (VC) investors, and AI researchers. Our goal during these trips is to absorb as much information as we can, test our hypotheses, search for disconfirming evidence (prompting us to update our thinking) and build relationships with companies. It felt different this time than it did even six months ago and even more so than it did last September. The excitement in the air was palpable!

We came away from the trip with several observations:

- We are still very early in the days of AI - enterprise adoption remains relatively low as AI talent is very expensive and hard to find/procure. Production-grade solutions that are easy to use are not generally available yet. We expect this to change over the next few years as the application layer of AI starts to mature and as the cost of using AI continues to drop. According to International Data Corporation, spending on agentic AI is forecast to rise to around \$1.3 trillion over the next four

years. Agentic AI adoption is similarly early - we expect this to change as the accuracy of models continues to improve (agentic workflows require a much higher accuracy due to the compounding error dynamic in more complex and lengthy workflows).

- Nevertheless, AI is already having a growing tangible impact across the ecosystem - it is a huge driver of VC investment with more than 50% of total global VC investment year-to-date going towards startups in AI<sup>6</sup>.
- Proprietary data continues to be a key ingredient in advancing AI and should serve as a competitive moat driven by a data feedback loop as customer data helps improve the product with the use of AI, driving greater product differentiation, which in turn drives market share gains, more customer data, and so on. We continue to expect winner-take-most dynamics for companies with proprietary data to accelerate.
- On the other hand, in segments in which there is no proprietary data and in which differentiation has mostly been driven by unique product features, we expect AI to reduce barriers to entry and competition to intensify - as imitating the latest features of competitors becomes easier and faster to do.

In addition to this trip, the quarterly earnings reporting season offered a flurry of data points supporting the significant opportunity behind AI in terms of both productivity enhancements and incremental revenues:

- Meta reported quarterly revenue growth of 22% and highlighted AI as a tailwind to engagement and to advertiser's return on ad spend, prompting the company to increase 2026 estimated capex expectations to \$100 billion, \$30 billion higher than Wall Street expectations. We thought Mark Zuckerberg's comments regarding "*Early glimpses of AI improving itself*" were particularly insightful<sup>7</sup>. If AI can improve itself, a self-reinforcing flywheel can emerge resulting in super-intelligence.
- Andy Jassy, the CEO of Amazon, described AI as the "*Biggest technology transformation in our lifetimes. Will change customer experience. Will change how we work - code, analyze, research, business processes, customer service. Every area will be impacted meaningfully by AI*".<sup>8</sup> This is the company that invented Cloud Computing!
- Alphabet reported a doubling in AI tokens in the last two months alone.<sup>9</sup> "*AI is positively impacting every part of the business.*" Later, in a separate blog, Alphabet announced that AI will be deeply embedded into YouTube, enabling both video creation with their excellent Veo 3 model, and making videos shoppable.<sup>10</sup> AI would help video creators and brands tag products, significantly expanding the monetization potential of YouTube. Meantime, the latest Gemini model climbed to #1 in the LLM comparison leaderboard across a variety of different tasks.<sup>11</sup>
- Microsoft's Azure revenue growth accelerated to 39% with demand continuing to outstrip supply despite the company bringing on 2 GW of new DC capacity online just in the last 12 months. Microsoft's AI foundry used over 500 trillion tokens in the last quarter, up 700% year-over year.<sup>12</sup>

- **NVIDIA** now expects \$3 to \$4 trillion in infrastructure spend over the next five years as demand is proving to be higher than the recent expectations presented to investors during their GTC conference in the spring.<sup>13</sup> NVIDIA also unveiled its next generation Rubin CPX, an inference-focused GPU that offers 7.5 times more performance than the current generation GB300 NVL72 GPU. This GPU is optimized for the prefill phase of inference and is great for AI video generation and long context windows. Since the prefill phase of inference is highly compute-heavy (and yet memory light), using a regular GPU that has a lot of expensive HBM memory is wasteful. Similarly, running the decode phase, which is memory-heavy on a regular GPU, wastes compute resources. Disaggregating the two processes enables a leap forward in performance<sup>14</sup>.
- **CrowdStrike** described that while the cloud increased their opportunity by 10 times, they expect agentic AI to increase it again... by 100 times as the sheer volume of assets to be protected and the complexity of protecting them is increasing exponentially.<sup>15</sup>

This is a non-exhaustive list of recent developments - just over the last three months. Human beings tend to perceive and process change linearly, i.e., incrementally. But as disruptive change investors we know that tectonic shifts in computing platforms often result in changes that are exponential. For example, the length of software engineering tasks AI could do has been doubling every seven months, for the past six years now.<sup>16</sup> That's around 10 doubles or 1,000 times better with a similar pace of progress identified across a wide range of other tasks.<sup>17</sup> *Can you imagine what another 1,000 times in capability would mean for AI over the next six years?* To what extent would it be able to make information workers more productive? Accelerate R&D? Discover new materials and sources of energy? New medicines? Cure cancer? What is the value of that to humanity?

There is no question that the very nature of these questions and some of the behavior that we see in the markets is starting to resemble some aspects of the internet bubble. But with the benefit of hindsight, whoever was the most bullish about the internet in the year 2000 was still not bullish enough! There were no smart phones, no tablets, no Wi-Fi, no Google, no Facebook, no TikTok, no cloud, and no video streaming. The internet has become much more important than even the biggest optimists believed. There is little doubt in our minds that 25 years from now, AI will turn out to be even more important and even more value-creating than we currently imagine.

Sincerely,



Alex Umansky  
Portfolio Manager



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

<sup>1</sup> The **MSCI ACWI Index Net (USD)** is designed to measure the equity market performance of large and midcap securities across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. The **MSCI ACWI Growth Index Net (USD)** is designed to measure the equity market performance of large and mid cap securities exhibiting overall growth style characteristics across 23 DM countries and 24 EM countries. MSCI is the source and owner of the trademarks, service marks and copyrights related to the MSCI Indexes. The indexes and the Fund include reinvestment of dividends, net of foreign withholding taxes, which positively impact the performance results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly in an index.

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

<sup>3</sup> Not annualized.

<sup>4</sup> Based on NVIDIA's 2Q26 earnings call, every 1GW is worth \$50 billion to \$60 billion.

<sup>5</sup> Microsoft, Cisco, IBM, Intel, Lucent, Oracle and GE – average P/E on street estimates for next 12m of eps.

<sup>6</sup> <https://www.mitrade.com/insights/news/live-news/article-3-1170528-20251003#:~:text=Venture%20capital%20funding%20for%20AI,according%20to%20data%20provider%20PitchBook>.

<sup>7</sup> Meta's 2q25 results.

<sup>8</sup> AMZN's 2q25 results.

<sup>9</sup> GOOG's 2q25 results.

<sup>10</sup> <https://blog.youtube/news-and-events/earn-more-with-brand-partnerships/>.

<sup>11</sup> <https://lmarena.ai/leaderboard>.

<sup>12</sup> MSFT 4q25 results.

<sup>13</sup> NVDA 2q25 results.

<sup>14</sup> <https://nvidianews.nvidia.com/news/nvidia-unveils-rubin-cpx-a-new-class-of-gpu-designed-for-massive-context-inference>.

<sup>15</sup> CrowdStrike investor day, 2025.

<sup>16</sup> <https://metr.org/blog/2025-03-19-measuring-ai-ability-to-complete-long-tasks/>.

<sup>17</sup> <https://openai.com/index/gdpval/>.

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

**As stated within the Supplement to the Summary Prospectus, Prospectus and Statement of Additional Information dated April 30, 2025, effective October 1, 2025, Baron Global Advantage Fund® has changed its name to Baron Global Opportunity Fund™. For additional information please refer to the Supplement.**

**Risks:** Growth stocks can react differently to issuer, political, market and economic developments than the market as a whole. Non-U.S. investments may involve additional risks to those inherent in U.S. investments, including exchange-rate fluctuations, political or economic instability, the imposition of exchange controls, expropriation, limited disclosure and illiquid markets, resulting in greater share price volatility. Securities of small and medium-sized companies may be thinly traded and more difficult to sell.

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

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

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

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

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

# Baron India Fund®

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

## Dear Baron India Fund Shareholder,

### Performance

Baron India Fund (the Fund) declined 6.34% (Institutional Shares) during the third quarter of 2025, while its relevant benchmark, the MSCI AC Asia ex Japan/India Linked Index (the Linked Benchmark), was down 7.61%. As a reminder to investors, as of market close on August 30, 2024, Baron New Asia Fund was converted into Baron India Fund, necessitating a Linked Benchmark to allow the predecessor track record to attach to the new Fund. In essence, our reported performance represents the return of Baron New Asia Fund from July 30, 2021 (Fund inception date) through August 31, 2024 and that of the reconstituted Baron India Fund beginning thereafter. Similarly, the Linked Benchmark, effective September 1, 2024, will reflect the performance of the MSCI India Index, the primary benchmark of Baron India Fund, while the period from July 30, 2021 through August 31, 2024 will reflect the performance of the MSCI AC Asia ex Japan Index.

As we celebrate the Fund's first anniversary as an India dedicated strategy, we are pleased with our relative performance during a period of increased market volatility and consolidation. We are also encouraged by the validation of our proprietary risk management frameworks, especially our thematic approach to investing and "S-curve analysis" (refer to Portfolio Structure section), that have played a key role in generating solid relative performance and downside protection over the past year. **Baron India Fund has outperformed the MSCI India Index by 660 basis points cumulatively since Fund conversion (effective September 1, 2024).**

For the third quarter, we outperformed our Linked Benchmark. During the period, Indian equities corrected approximately 8% and underperformed emerging market peers owing to trade related uncertainties as the U.S administration levied a 50% tariff on most goods imported from India. In addition, the imposition



Michael Kass  
Portfolio Manager Adviser

Anuj Aggarwal  
Portfolio Manager

### Annualized performance (%) for period ended September 30, 2025

	Fund Retail Shares <sup>1,2</sup>	Fund Institutional Shares <sup>1,2</sup>	MSCI AC Asia ex Japan/ India Linked Index <sup>1</sup>	MSCI India Index <sup>1</sup>	MSCI Emerging Markets Index <sup>1</sup>
QTD <sup>3</sup>	(6.39)	(6.34)	(7.61)	(7.61)	10.64
YTD <sup>3</sup>	(0.98)	(0.76)	(2.06)	(2.06)	27.53
Since Conversion (9/1/2024)	(5.01)	(4.72)	(11.32)	(11.32)	25.16
1 Year	(6.97)	(6.72)	(13.15)	(13.15)	17.32
3 Years	9.36	9.63	5.35	10.30	18.21
Since Inception (7/30/2021)	(2.26)	(2.02)	(4.74)	7.45	3.84

of a \$100,000 fee on new H-1B visas (Indian citizens comprise around 70% of the skills based non-immigrant visa) also weighed on market sentiment. While such headlines seem concerning, the adverse economic impact on India's GDP at about 50 to 60 basis points is not meaningful, in our view. Assuming a worst-case scenario, wherein there is no trade resolution, India's real GDP will continue to grow 6.0% to 6.5% versus its current trajectory of 6.5% to 7.0%, still positioning the country as the world's fastest growing large economy. Taking a contrarian view, we believe the H-1B fee could accelerate investment into India's established global capability centers (GCCs) as U.S. corporates increasingly outsource information technology (IT) services to GCCs and bolster the local job market. This trend is likely to incur market share losses for Indian IT services companies, which we remain

*Performance listed in the above table is net of annual operating expenses. The gross annual expense ratio for the Retail Shares and Institutional Shares as of April 30, 2025 was 7.96% and 6.86%, respectively, but the net annual expense ratio was 1.45% and 1.20% (net of the Adviser's fee waivers and expense reimbursements), respectively. The performance data quoted represents past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original cost. The Adviser waives and/or reimburses certain Fund expenses pursuant to a contract expiring on August 29, 2036, 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](http://BaronCapitalGroup.com) or call 1-800-99-BARON.*

materially underweight, supporting relative performance during the period. In addition, the Fund’s limited exposure to export-oriented businesses, especially those that supply goods to the U.S., also contributed to relative results.

On a positive front, in the aftermath of trade tariffs, India unleashed a new wave of economic reforms by simplifying and lowering the Goods and Services Tax (GST), effectively reducing prices on the consumer basket by 5% to 10%. **Based on sell-side estimates, “GST 2.0” is likely to bolster real consumer spend and contribute 70 to 80 basis points to GDP, essentially neutralizing growth headwinds due to elevated U.S. tariffs.** Toward the end of the quarter, President Trump also took a more conciliatory approach to India with both countries resuming active negotiations to sign a bilateral trade agreement and lower tariffs. In our view, the U.S.-India strategic partnership remains intact with growing signs of a trade truce in the coming months. **Any such resolution on trade will likely create a significant repricing of Indian equities, especially as we enter an earnings upgrade cycle as discussed in our June 2025 quarterly letter.**

From a sector or theme perspective, strong stock selection in the Information Technology sector, primarily attributable to select holdings in our national security (**Centum Electronics Limited**) and “Make in India”/supply chain diversification (**Kaynes Technology India Limited**) themes, contributed the most to relative performance during the quarter. Centum is a leading electronics manufacturing services provider that is transforming into an integral supplier of mission critical components and sub-systems to India’s burgeoning aerospace and defense ecosystem. With over three decades of industry expertise and a core emphasis on quality control, the company is well positioned to benefit from rising defense spending and the government’s “Make in India” initiative, which encourages localization of electronics manufacturing and related supply chains by providing attractive financial subsidies and logistics infrastructure. In addition, we remain materially underweight IT services companies within the sector, owing to structural growth headwinds related to the advancement of AI and more recently due to the prohibitive H-1B visa fee, which will impact near-term profitability for such businesses.

Favorable stock selection in the Financials sector, driven mostly by our investment in **Bajaj Finance Limited**, as part of our consumer finance theme, also stood out as a key contributor to relative results. Lastly, solid stock selection effect in the Industrials sector, owing to a few holdings in our “Make in India”/supply chain diversification (**Shaily Engineering Plastics Limited**) and power reforms (**Cummins India Limited** and **Siemens Energy India Limited**) themes, also bolstered relative performance during the period. Shaily, as a leading supplier of proprietary injection pens for generic GLP-1s, should deliver strong earnings growth over the next two to three years as branded anti-obesity drugs such as Ozempic and Wegovy begin to go off-patent in India and Brazil, among other countries. Partly offsetting the above was poor stock selection in the Consumer Discretionary (**Trent Limited**) sector. Adverse allocation effect together with subpar stock selection in Materials (**DCW Limited**) and Communication Services (**Bharti Airtel Limited**) also weighed on relative results.

Top contributors to performance for the quarter

	Contribution to Return (%)
Eternal Limited	0.60
Shaily Engineering Plastics Limited	0.34
Centum Electronics Limited	0.27
Kaynes Technology India Limited	0.19
Bajaj Finance Limited	0.18

**Eternal Limited** is India's leading food delivery and quick commerce platform, with roughly 55% and 40% market share in these respective categories. Shares rose during the quarter, driven by Eternal’s continued leadership in the race toward profitability in quick commerce, as well as its strong balance sheet in an increasingly competitive industry. We retain conviction, as we believe Eternal is well positioned for long-term growth in quick commerce, given its first-mover advantage, scale, and superior execution. We think Eternal will continue to benefit from structural growth in online food delivery in India, potentially doubling its revenue, while also improving profitability and growing earnings over the next three to five years.

**Shaily Engineering Plastics Limited** is a leading Indian manufacturer of precision injection-molded plastic components, with diverse product offerings spanning categories such as furniture, pharmaceuticals, and various industrial applications. Shares increased during the quarter, driven by strong quarterly results and the company’s plans to significantly expand its GLP-1 pen manufacturing capacity. We remain invested in Shaily, as we believe the company will benefit from global supply chain diversification away from China and strong growth opportunities in GLP-1 pen manufacturing.

**Centum Electronics Limited** is a leading electronics system design and manufacturing services provider in India, offering solutions for mission-critical applications across defense, aerospace, industrial, and automotive industries. Shares rose on strong quarterly results. We remain invested, as we believe Centum is well positioned to benefit from the Indian government’s “Make in India” initiative, which promotes domestic manufacturing of electronic products and components through attractive financial subsidies and infrastructure support. Amid rising global geopolitical tensions, we see additional upside from India’s push to indigenize defense equipment design and production, a trend that should benefit electronic system providers like Centum. We are also encouraged by management’s commitment to restructuring its loss-making Canadian subsidiary and enhancing operational efficiency at its French subsidiary. Looking ahead, we expect Centum to deliver 18% to 20% compounded revenue growth and 25% to 30% compounded EBITDA growth over the next three to five years.

### Top detractors from performance for the quarter

	Contribution to Return (%)
Max Healthcare Institute Limited	(1.18)
Bharti Airtel Limited	(0.92)
Trent Limited	(0.89)
ICICI Bank Limited	(0.68)
Reliance Industries Limited	(0.57)

**Max Healthcare Institute Limited** is a leading hospital services chain in India. Shares detracted from performance during the quarter due to a slight profit miss, owing to upfront business expenses as it ramps up new bed capacity. We remain investors. Under the leadership of CEO and restructuring specialist Abhay Soi, management has focused on cost optimization at mature facilities while improving profitability at greenfield projects along with realizing synergies at recently acquired hospitals. These efforts have helped Max Healthcare differentiate itself among peers with best-in-class EBITDA margins, average revenue per occupied bed, and return on invested capital. We remain optimistic about the multi-year growth opportunity in Indian hospital services and retain conviction in Max Healthcare as a key beneficiary of ongoing industry consolidation. We expect the company to more than double EBITDA and sustain mid-teens revenue growth over the next three to five years.

**Bharti Airtel Limited** is India's leading telecommunications service provider with over 40% revenue market share in mobile services. The company's offerings include wireless services, mobile commerce, and fixed-line broadband. Shares declined during the quarter as subscriber additions came in slightly below expectations. We remain shareholders. As India's dominant mobile operator, Bharti Airtel is benefiting from ongoing industry consolidation. In particular, competitor Vodafone Idea appears on the verge of bankruptcy amid severe pricing pressure and an unsustainable balance sheet. We retain conviction in Bharti Airtel's outlook given its visibility into strong free cash flow generation, having moved past its peak capex intensity, and its continued transformation into a digital services provider positioned to benefit from rising mobile tariffs.

**Trent Limited** is a leading retailer in India that sells private-label apparel direct-to-consumer through its proprietary network. Shares declined during the quarter following lower-than-expected quarterly sales, as retail activity was partly affected by above-normal rainfall. We remain invested as we believe the company can sustain over 20% revenue growth in the near to medium term, driven by same-store-sales growth and outlet expansion. In addition, we expect operating leverage and a growing share of franchisee-operated stores to support stronger profitability and return on capital, driving 25%-plus compounded annual EBITDA growth over the next three to five years.

### Portfolio Structure

#### Top 10 holdings

	Percent of Net Assets (%)
Bharti Airtel Limited	7.4
ICICI Bank Limited	6.3
Max Healthcare Institute Limited	5.8
Bajaj Finance Limited	4.9
HDFC Bank Limited	4.8
Eternal Limited	4.7
Reliance Industries Limited	4.5
InterGlobe Aviation Limited	4.1
Bharat Electronics Limited	3.3
Aster DM Healthcare Limited	3.3

#### Fund investments in GICS sectors

	Percent of Net Assets (%)
Financials	28.4
Industrials	16.9
Consumer Discretionary	11.5
Health Care	10.6
Information Technology	9.2
Communication Services	8.3
Energy	4.5
Consumer Staples	3.9
Utilities	2.3
Materials	0.8
Real Estate	0.7
Cash and Cash Equivalents	3.0
<b>Total</b>	<b>100.0*</b>

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

We combine a bottom-up investment approach with a thematic overlay to construct and manage a portfolio of high-quality, competitively advantaged companies located in India. Consistent with the "Baron Approach," we invest behind value-creating, private sector entrepreneurs with significant ownership stakes, whose businesses are either gaining market share, disrupting, or consolidating their respective industries. We leverage our deep relationships in India to discover and invest in growth-oriented businesses for the long term.

The Fund is a diversified, all-cap strategy with the flexibility to invest across market caps, especially in small- and mid-cap stocks where we see significant mispricing due to limited sell-side coverage and/or those that remain "under the radar." We typically invest across 30 to 50 stocks and concentrate capital toward our highest conviction ideas. As of September 30, 2025, we held 41 positions with our 10 largest investments comprising 49.0% of net assets.



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

- **Formalization of the Economy (25.1% of net assets):** *Economic reforms are accelerating formalization leading to market share gains for organized, branded players across various industries*
- **Consumer Finance (24.3%):** *Low penetration levels; industry poised to grow mid-to high teens over the next several years; well managed private sector players to gain market share*
- **Digitization (20.6%):** *India's rising middle class and smartphone penetration (over 700 million and growing) is creating significant opportunities across e-commerce, food tech, digital streaming, and fintech*
- **Make in India/Supply Chain Diversification (8.5%):** *Tectonic shifts in geopolitics are accelerating supply chain diversification (ex-China); significant opportunity for Indian players to gain market share in global supply chains*
- **National Security (7.4%):** *Rising global conflicts and recent military skirmishes with neighboring countries are leading India to accelerate defense spending with increased focus on domestic manufacturing*
- **Power Reforms (7.1%):** *Market friendly reforms along with growing demand for electricity in India (real estate, manufacturing, data centers, AC penetration) is necessitating a multi-year investment cycle in power generation and transmission*
- **Financialization of Savings (4.1%):** *Structural shift in household savings from gold/real estate into financial products such as equities/mutual funds/life insurance savings policies; capital market proxies along with asset managers/life insurers to benefit*

We also segment the portfolio based on a S-curve analysis to serve as a form of risk management framework with respective weightings (as of September 30, 2025) as follows:

- **Phase 1 (12.9% of net assets):** *“Under the Radar” or in “Investment Mode” – a phase of market mispricing/time arbitrage and an opportunity for significant alpha generation as these businesses enter Phase 2*
- **Phase 2 (19.3%):** *“Disruptors” or “Scale Builders” – this is a period when our holdings should generate non-linear growth and continued alpha capture on price discovery, earnings upgrades, and/or market disruption*
- **Phase 3 (45.4%):** *“Compounders” – post scale up, our companies have gained durable competitive moats and are well positioned to compound capital and earnings over the next several years*
- **Phase 4 (19.3%):** *“Market Performers/Mature Businesses” – period of stable growth with good earnings visibility; allocation to this segment will be viewed from a risk management / portfolio beta perspective*

## Recent Activity

During the third quarter, we recategorized our global security/supply chain diversification related investments into two new themes, namely national security and “Make in India”/supply chain diversification. The increasing allocation to aerospace and

defense-related businesses in the portfolio warranted a dedicated theme for such holdings. While adding one new investment, we also rebalanced weights of a few positions based on company specific fundamentals during the period. We strive to concentrate capital toward our highest conviction ideas.

We increased exposure to our national security theme by initiating a position in **Astra Microwave Products Limited (AMPL)**, a leading designer and manufacturer of radio frequency and microwave components in India. With over three decades of technological expertise, AMPL has developed a core competency in radar electronics, while it is also actively engaged in other mission-critical applications, including satellites, electronic warfare, and meteorological devices. The company is a trusted supplier to key Indian government entities, including the Defense Research and Development Organization and the Indian Space Research Organization, as well as prominent global clients, such as Raytheon and ELTA Systems. In our view, AMPL is well positioned to benefit from the Indian government’s “Make in India” initiative, which encourages domestic manufacturing of electronic products and components by providing attractive tax subsidies and logistics infrastructure. In addition, amid escalating global geopolitical tensions, we see further upside from India’s accelerated efforts to localize the design, development, and production of defense equipment, such as radars for the indigenously developed Tejas Light Combat Aircraft, where AMPL emerged as a winning bidder. We are also encouraged by AMPL’s strategic vision to move up the value chain from a component supplier to a subsystem and full system integrator, which should support higher business growth and margin expansion. We expect the company to deliver 18% to 20% compounded revenue growth and 20% to 25% compounded EBITDA growth over the next three to five years.

Finally, we added to several of our existing positions during the quarter, most notably **Eternal Limited**, **ICICI Bank Limited**, **Bharat Electronics Limited**, **Precision Wires India Limited**, **Siemens Energy India Limited**, **HDFC Bank Limited**, and **Centum Electronics Limited**.

During the quarter, we also exited positions in **Indus Towers Limited**, **REC Limited**, **Siemens Limited**, and **Thermax Limited** due to uncertainties over durability of earnings growth and/or competitive positioning going forward.

## Outlook

While the global geopolitical landscape and evolving trade dynamics remain fluid, and enthusiasm around the AI megacycle continues to build, we view the recent underperformance in Indian equities as a timely opportunity to initiate or increase exposure to the market. Following a year of consolidation, price-to-earnings valuations have reverted to long-term averages, offering an attractive entry point for long-term investors. We remain excited about India’s structural growth story and believe the market is entering a potential earnings upgrade cycle. This is supported by a rebound in government infrastructure spending, targeted tax relief for the middle class, benign inflation trends, a normal monsoon improving rural demand, and the rollout of “GST 2.0,” which is expected to further boost consumption and economic activity. As

several leading economic indicators have turned favorable, we expect earnings transmission to follow with a lag—making the current period an opportune time to build positions ahead of what we believe will be a tangible uplift in earnings trajectory for our holdings.

From a trade perspective, as discussed earlier in the letter, the impact of elevated U.S. tariffs is not material given India is primarily a domestic consumer driven economy with a low share of global trade. Goods exported to the U.S. account for only around 2% of India's GDP with certain tariff exemptions (including on iPhones and generic pharmaceuticals) further mitigating the economic impact. **"GST 2.0" should also offset any trade related headwinds, supporting India's high-growth trajectory. The Reserve Bank of India recently upgraded India's fiscal year 2026 real GDP growth forecast to 6.8% (earlier at 6.5%) which validates our view above.**

The Fund has limited exposure to export-oriented businesses, especially those that supply goods to the U.S., creating further downside protection for our investors. That said, we view the current trade impasse as temporary and are encouraged by the recent conciliatory approach of the U.S. administration toward India, with both sides reengaging in active discussions to sign a bilateral trade agreement and lower tariffs. While we cannot predict policy or trade outcomes, the risk/reward for Indian equities has become increasingly attractive as markets, in our view, have already discounted a worst-case scenario leading to the recent underperformance.

Our optimism about India remains firmly intact. We believe the country has emerged as a "breakout" investment destination, driven by productivity-enhancing economic reforms that are catalyzing a virtuous investment cycle and positioning India as the fastest-growing large economy of the decade. Accelerating digitization—fueled by over 700 million smartphone users—is amplifying growth across sectors, particularly in e-commerce, digital payments, food delivery, and streaming services. A structural shift in household savings is also reshaping India's financial landscape. Increasingly, savings are moving away from traditional assets like gold, real estate, and fixed deposits toward equities, mutual funds, and life insurance products. This transformation has fostered a more resilient and vibrant domestic capital markets ecosystem—one that provides a stabilizing force during episodes of foreign capital outflows and global market volatility.

Year to date, domestic institutional investors have allocated about \$65 billion to Indian equities, even as foreign investors (FIIs) have withdrawn more than \$17 billion. Post the recent capital outflow, FII ownership of Indian equities is at a decadal low as investors remain cautious on trade dynamics and continue to favor the "AI trade." Quoting legendary investor Warren Buffett, as also highlighted in the 1986 Berkshire Hathaway shareholder letter, —"be fearful when others are greedy, and greedy when others are fearful"—aptly summarizes our view on India's attractive risk/reward at current levels.

Finally, despite recent trade-related setbacks, we believe the U.S.-India strategic partnership remains robust. Anchored in the shared objective of counterbalancing a rising and more assertive China, this alliance should continue to strengthen, with a growing number of global corporates viewing India as a compelling destination to diversify manufacturing and supply chains beyond China.

Thank you for investing in the Baron India Fund. We truly appreciate your partnership.

Sincerely,



Anuj Aggarwal  
Portfolio Manager



Michael Kass  
Portfolio Manager Adviser

<sup>1</sup> The **MSCI AC Asia ex Japan/India Linked Index Net (USD)** was created by the Adviser and links the performance of the MSCI AC Asia ex Japan Index for all periods prior to September 1st, 2024 and the MSCI India Index for all periods thereafter. The **MSCI AC Asia ex Japan Index Net (USD)** measures the performance of large and mid cap equity securities representation across 2 of 3 developed markets countries (excluding Japan) and 8 emerging markets countries in Asia. The **MSCI India Index Net (USD)** is a broad-based securities index that is designed to measure the performance of the large and mid-cap segments of the Indian market. The **MSCI Emerging Markets Index Net (USD)** is designed to measure equity market performance of large and mid-cap securities across 24 Emerging Markets countries. MSCI is the source and owner of the trademarks, service marks and copyrights related to the MSCI Indexes. The indexes and the Fund include reinvestment of dividends, net of foreign withholding taxes, which positively impact the performance results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly in an index.

<sup>2</sup> The performance data does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares.

<sup>3</sup> Not annualized.

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

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

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

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

**Alpha** measures the difference between a fund's actual returns and its expected performance, given its level of risk as measured by beta. **Beta** explains common variation in stock returns due to different stock sensitivities to market or systematic risk that cannot be explained by the US Country factor. Positive exposure indicates high beta stock. Negative exposure indicates low beta stock. **EBITDA**, short for earnings before interest, taxes, depreciation, and amortization, is an alternate measure of profitability to net income. It's used to assess a company's profitability and financial performance. **Price/Earnings Ratio or P/E (next 12-months)** is a valuation ratio of a company's current share price compared to its mean forecasted 4 quarter sum earnings per share over the next twelve months. If a company's EPS estimate is negative, it is excluded from the portfolio-level calculation.

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



QUARTERLY LETTER | SEPTEMBER 30, 2025

# Baron International Growth Fund®

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

## Dear Baron International Growth Fund Shareholder,

### Performance

Baron International Growth Fund (the Fund) gained 6.04% (Institutional Shares) during the third quarter of 2025, while its primary benchmark, the MSCI ACWI ex USA Index (the Benchmark), appreciated 6.89%. The MSCI ACWI ex USA IMI Growth Index (the Proxy Benchmark) gained 5.75% for the quarter. The Fund modestly underperformed the Benchmark while slightly bettering the Proxy Benchmark during a solid quarter for global equities, in our view driven by the onset of a Federal Reserve (the Fed) easing cycle and ongoing announcements of large-scale investment related to AI data center capacity and graphics processing unit (GPU) commitments. We were pleased with our quarterly results, and we remain comfortably ahead of the Proxy Benchmark on a year-to-date and one-year trailing basis.

As stated, the initiation of a Fed easing cycle and ongoing enthusiasm towards AI-related investments, in our view, were the principal drivers of strong global equity returns during the quarter. While there remains considerable uncertainty regarding the potential economic and inflationary impacts of U.S. tariffs, and we suspect this unknown should become clearer in the current quarter, it remains evident that a global central bank easing cycle is now underway. As we have remarked in previous letters, we believe that the vector change in U.S. trade and immigration policy, alongside accommodative monetary policy, likely shifts the epicenter of the global inflation impulse to U.S. shores, which would leave the Fed with less room to maneuver than many foreign counterparts for the first time in decades. In our view, the likely result would be steeper rate cuts and more earnings upside in most non-U.S. jurisdictions, which we expect, among several other factors, to help sustain related equity outperformance for longer



Michael Kass  
Portfolio Manager

### Annualized performance (%) for period ended September 30, 2025

	Fund Retail Shares <sup>1,2</sup>	Fund Institutional Shares <sup>1,2,3</sup>	MSCI ACWI ex USA Index <sup>1</sup>	MSCI ACWI ex USA IMI Growth Index <sup>1</sup>
QTD <sup>4</sup>	5.95	6.04	6.89	5.75
YTD <sup>4</sup>	24.57	24.85	26.02	22.75
1 Year	17.17	17.48	16.45	13.18
3 Years	16.92	17.20	20.67	18.26
5 Years	5.57	5.84	10.26	6.32
10 Years	8.29	8.56	8.23	8.15
15 Years	7.16	7.43	6.05	6.38
Since Inception (12/31/2008)	9.42	9.69	7.84	8.30

than most investors currently expect. We remain encouraged by the solid absolute performance of the Fund over the recent quarter and past year, and particularly our relative performance versus our growth peer group and Proxy benchmark over such periods. We remain optimistic that our fundamental, theme-driven and bottom-up approach can continue to deliver results in this ongoing environment of significant technological and geopolitical change.

In the third quarter of 2025, we modestly underperformed the Benchmark, while slightly outperforming our all-cap international growth Proxy Benchmark. From a sector or theme perspective, poor stock selection effect in the Information Technology (IT) sector, primarily attributable to a material correction in the share price of **Constellation Software Inc.**, owing to both the

*Performance listed in the above table is net of annual operating expenses. The gross annual expense ratio for the Retail Shares and Institutional Shares as of April 30, 2025 was 1.31% and 1.04%, but the net annual expense ratio was 1.21% and 0.96% (net of the Adviser's fee waivers), respectively. The performance data quoted represents past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original cost. The Adviser waives and/or reimburses certain Fund expenses pursuant to a contract expiring on August 29, 2036, 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](https://BaronCapitalGroup.com) or call 1-800-99-BARON.*

NON-U.S./GLOBAL



unexpected retirement (health reasons) of its legendary founder and President, Mark Leonard, as well as general market concerns over AI-related uncertainties for application software companies, was the largest detractor to relative performance during the quarter. Within IT, our exposure to **WiseTech Global Limited** and **Park Systems Corporation** also weighed on relative results as both stocks suffered corrections in an up market. In addition, adverse stock selection effect in the Communication Services sector, owing to double-digit declines from two holdings in our digitization (**Universal Music Group N.V.** and **Bharti Airtel Limited**) theme, also stood out as a key drag on relative performance. Lastly, weak stock selection in Consumer Staples (**ODDITY Tech Ltd.** and **Dino Polska S.A.**) was also a notable detractor during the period. Largely offsetting the above, favorable stock selection effect in the Materials sector, driven by several positions in our global security (**Lynas Rare Earths Limited** and **Agnico Eagle Mines Limited**) and sustainability/ESG (**Lundin Mining Corporation** and **AMG Critical Materials N.V.**) themes, was a positive contributor to relative performance during the quarter. Finally, solid stock selection in the Health Care and Financials sectors also supported relative results.

Poor stock selection effect in Poland (**InPost S.A.**), Japan, and Israel (**ODDITY**) were considerable drivers of country-specific relative underperformance. In addition, our overweight positioning in India was also a notable detractor during the period. Partially offsetting the above was favorable stock selection in Australia (**Lynas**) and China (**Contemporary Ampere Technology Co., Limited**), along with positive allocation effect and good stock selection in Germany (**Deutsche Bank AG**) and the Netherlands (**argenx SE** and **AMG**). We are encouraged by the resilience and outperformance of Chinese equities year-to-date and believe a critical mass of global investors are beginning to appreciate the country's AI potential and leadership in new age technologies such as electric vehicles (EVs)/batteries, autonomous mobility, robotics, and renewable energy. Despite recent underperformance, we remain excited about India's structural growth story and believe the market is entering a potential earnings upgrade cycle, driven by a rebound in government infrastructure spending, tax relief, benign inflation, and central bank easing. From a trade perspective, we view the current impasse between the U.S. and India as temporary and are encouraged that both sides have recently reengaged in active discussions regarding a bilateral trade agreement and lower tariffs.

## Top contributors to performance for the quarter

	Contribution to Return (%)
Lynas Rare Earths Limited	1.25
argenx SE	0.79
Lundin Mining Corporation	0.66
Taiwan Semiconductor Manufacturing Company Limited	0.65
Contemporary Ampere Technology Co., Limited	0.57

**Lynas Rare Earths Limited** is an Australia-based mining and exploration company focused on rare earth minerals. Shares nearly doubled during the quarter as geopolitical and trade tensions underscored the strategic importance of supply sources outside China, which controls more than two-thirds of global rare earth production and roughly 80% of processing and refining capacity. Prices for rare earth minerals and related equities surged after the U.S. signaled support for establishing price floors to encourage non-China mining and production. We retain long-term conviction in Lynas' earnings potential and strategic value and remain shareholders.

**Argenx SE** is a biotechnology company best known for developing Vyvgart, the leading FcRn inhibitor for the treatment of autoimmune conditions. Shares rose after second-quarter Vyvgart sales meaningfully exceeded investor expectations, rebounding from prior weakness linked to seasonal factors (such as insurance reverification) and higher Medicare Part D utilization and associated discounts. Our conversations with management and neurologists continue to reinforce Vyvgart's value as an important treatment option with strong long-term growth potential. The drug continues to launch well in generalized myasthenia gravis, and its launch in chronic inflammatory demyelinating polyneuropathy is off to a strong start. Over time, we expect Vyvgart to demonstrate efficacy across an expanding range of autoantibody-driven autoimmune conditions, and we are encouraged by argenx's progress with its next pipeline candidate, ARGX-119, in neuromuscular diseases.

**Lundin Mining Corporation** is a high-growth, global mining operator with an emphasis on copper and gold. Shares rose markedly during the quarter, initially following solid operating and financial results. The stock advanced further after competitor Freeport-McMoRan Inc. suspended production at the world's second-largest copper mine due to a tragic mudslide, tightening global supply and triggering a market imbalance expected to persist for some time. Lundin Mining's earnings have also benefited from the strong rise in gold prices over the past year. We retain conviction in the company's capital allocation, production growth, and earnings potential.

## Top detractors from performance for the quarter

	Contribution to Return (%)
Constellation Software Inc.	(0.70)
InPost S.A.	(0.39)
ODDITY Tech Ltd.	(0.37)
Symrise AG	(0.21)
Universal Music Group N.V.	(0.21)

**Constellation Software Inc.**, a holding company that owns and operates a large portfolio of vertical-market software businesses, detracted from performance. The company reported solid quarterly financial results, but shares declined due to broader uncertainty around the impact of AI on software and the unexpected announcement that President Mark Leonard would step down for health reasons, though he will remain on the board. We retain conviction that Constellation can continue compounding

free cash flow per share at a solid rate. While the company is not immune to macroeconomic headwinds, it benefits from a strong balance sheet, robust profitability and free cash flow generation, and a diversified end-market mix.

**InPost S.A.**, Poland's leading logistics operator with a rapidly expanding pan-European presence, detracted from performance during the quarter. Allegro, Poland's top e-commerce platform and InPost's largest customer—contributing around 15% of group revenue—has begun exploring alternative logistics solutions and partnering with multiple providers. This has raised concerns about potential volume pressure in Poland and further market share erosion once the current Allegro–InPost contract expires in 2027. Despite worst-case fears, we believe a full exit by Allegro is unlikely. InPost controls roughly 70% of parcel lockers and 90% of out-of-home delivery volumes in Poland, making a complete transition away from its network highly disruptive to service quality. We remain positive on InPost's market leadership, expanding international footprint, and growing client diversification.

**ODDITY Tech Ltd.** intends to transform the beauty and wellness market by using proprietary technologies to sell exclusively online and launch innovative new products. The company is uniquely positioned at the intersection of beauty, wellness, and technology, and is poised to capitalize on the consumer shift toward e-commerce in categories that have historically relied on wholesale and high-touch retail models. While ODDITY's second-quarter results exceeded management and Street expectations, the magnitude of the beat was smaller than investors anticipated, prompting shares to fall. Management also provided additional detail on costs related to the launch of its third brand and the anticipated pressure on first-half 2026 EBITDA margins. We remain shareholders. ODDITY continues to invest heavily in growth while outperforming its long-term targets of 20% top-line growth and a 20% EBITDA margin. We maintain conviction in the company's value creation potential across its IL MAKIAGE and SpoiledChild lines, as well as its new METHODIQ brand.

## Portfolio Structure

### Top 10 holdings in developed countries

	Percent of Net Assets (%)
argenx SE	2.8
eDreams ODIGEO SA	2.6
BNP Paribas S.A.	2.5
Lynas Rare Earths Limited	2.4
Lundin Mining Corporation	2.3
Deutsche Bank AG	2.1
Waga Energy SA	2.0
Bank of Ireland Group plc	2.0
Ajinomoto Co., Inc.	2.0
Mitsubishi UFJ Financial Group, Inc.	2.0

### Top five holdings in emerging countries

	Percent of Net Assets (%)
Taiwan Semiconductor Manufacturing Company Limited	3.9
HD Korea Shipbuilding & Offshore Engineering Co., Ltd.	2.0
Tencent Holdings Limited	1.6
Credicorp Ltd.	1.5
Contemporary Amperex Technology Co., Limited	1.5

### Percentage of securities in developed markets

	Percent of Net Assets (%)
Japan	11.9
France	10.4
Netherlands	7.3
United Kingdom	6.7
Canada	5.1
Spain	3.4
Israel	3.3
United States	3.3
Australia	3.1
Germany	3.0
Ireland	2.0
Switzerland	1.9
Sweden	1.5
Italy	0.9
Denmark	0.3

### Percentage of securities in emerging markets

	Percent of Net Assets (%)
China	11.0
India	8.4
Korea	5.5
Taiwan	4.2
Peru	1.5
Brazil	1.3
Poland	1.0
Greece	0.9
Chile	0.3

*The table above does not include the Fund's exposure to Russia (less than 0.1%) because the country falls outside of MSCI's developed/emerging/frontier framework.*

## Recent Activity

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

We increased exposure to our Japan interest rate normalization theme by initiating a position in **Nomura Holdings, Inc.**, Japan's leading financial services conglomerate with operations in wealth management, global markets, investment banking, and asset management. Nomura's strong domestic franchise gives it unique access to the country's vast household savings pool, while its established corporate and institutional relationships support cross-selling across businesses. The firm is also diversifying internationally, recently expanding its global asset management platform and strengthening its trading capabilities to capture rising market volatility. We believe Nomura is well positioned to benefit from structural growth in Japanese household investment flows, global assets under management expansion, and resilient wholesale earnings, making it an attractive long-term investment.

During the quarter, we also initiated a position in **EssilorLuxottica SA**, the world's leading eyewear company with unmatched scale and vertical integration across lenses, frames, retail, and distribution. The company's dominance stems from its global portfolio of iconic brands (Ray-Ban, Oakley, and luxury fashion licenses), its extensive retail network, and its stronghold in prescription lenses where it commands an industry-leading market share. This integration provides pricing power, recurring demand, and high margins. Beyond its core business, EssilorLuxottica is innovating into new addressable markets: Ray-Ban Meta smart glasses position it as a pioneer in wearable technology; Stellest myopia control lenses address a massive global health challenge affecting children; and Nuance Audio hearing-enhancement eyewear opens a large underserved market in mild-to-moderate hearing loss. Together, these initiatives add significant optionality and growth potential to an already dominant eyewear franchise.

As part of our China value-added theme, we initiated positions in **Pony AI Inc.** (Pony.ai) and **GDS Holdings Limited**. Pony.ai is a global leader in autonomous mobility. We expect China's robotaxi market to evolve into a multi-billion-dollar industry over the next 5 to 10 years, fueled by advancing AI technology, supportive government policies, and a superior user experience. The company is well positioned as an early mover, becoming the first corporate entity to secure regulatory licenses to operate fully driverless vehicles in all four Tier-1 cities in China. This achievement reflects Pony.ai's industry-leading technology and exceptional safety track record, backed by millions of accumulated driverless miles. Pony.ai's latest-generation autonomous vehicle, set to roll out in the second half of 2025, delivers a 70% bill-of-materials cost reduction, which we believe will allow the company to rapidly scale robotaxi commercialization. Leveraging strategic partnerships with automotive giants like Toyota, GAC, and BAIC for mass production, Pony.ai's robotaxi fleet is projected to scale to tens of thousands of vehicles over the next five years. In our view, this expansion will enable the company to achieve strong network effects and highly profitable unit-level economics. Over the long run, we expect

Pony.ai to maintain dominant market share and strong pricing power, given the robotaxi industry's formidable barriers to entry, including cutting-edge technological requirements, substantial capital investment, and extensive regulatory approvals. While Pony.ai's near-term focus remains on the vast China market, the company has already forged collaboration agreements to extend its robotaxi services worldwide, including in Europe, Asia, and the Middle East. In our opinion, Pony.ai's cost advantages and technological leadership will make it highly competitive against global peers in these new markets.

GDS operates mission-critical data center facilities in China and internationally with core customers such as Alibaba, Tencent, Baidu, ByteDance, and Kuaishou. In our view, China is in early innings of scaling its AI ecosystem which along with rising penetration of cloud computing, digital payments, and short-form video should provide secular growth tailwinds for data center operators like GDS. The company's core competitive advantages are under-pinned by access to large-scale power in Tier-1 cities in China that can support latency sensitive applications, a long track record of development to meet customer time-sensitive deployments, and leading market share within the third-party carrier-neutral data center space. We have a long history with GDS since its IPO in 2017. We recently traveled to Asia to tour the company's newly developed data center campus in Malaysia and interacted with GDS International's (renamed "DayOne") executive team. We also conducted extensive market due diligence by meeting with several global competitors based in Singapore. In our view, DayOne, which recently completed an impressive private capital raise, will continue to see its valuation rise given its attractive growth outlook. Ultimately, the value of this business should yield \$15 to \$20 per share to GDS over the next 12 to 18 months with a planned public listing over the next year. The contracted nature of cash flow growth is under-appreciated with cash flow ramping from approximately \$200 million to \$1 billion over the next two years based on definitive contracts. This implies we are investing in GDS' mainland China business at only 11 to 12 times EBITDA, a steep discount to global peers, suggesting considerable upside. Furthermore, GDS recently listed a subset of its assets into a public REIT vehicle, which is now valued at more than 20 times cash flow.

We added to our digitization theme by initiating a position in **Kuaishou Technology**, China's second largest short video platform with over 400 million daily active users. While often perceived as an inferior version of Douyin/TikTok, Kuaishou is in fact differentiated by its unique community-driven ecosystem and deep engagement among users from lower-tier cities. We believe the short-video economy has room for multiple players as creator and audience segmentation deepens, and market concerns over user fatigue or competition are overstated. The company's monetization engine continues to strengthen, increasingly aided by AI, with steady improvements in ad efficiency, engagement, and margins, alongside accelerating contributions from e-commerce. We expect mid-to-high-teens earnings growth for its core business over the next few years and see the stock as materially undervalued. In June 2024, Kuaishou introduced Kling, an AI video generation model comparable to OpenAI's Sora, which benefits from Kuaishou's

proprietary short-video database - with over 40 million videos uploaded daily - giving it a unique edge in training and fine-tuning. We see Kling as an emerging growth driver with strong platform synergies and long-term monetization potential.

Lastly, we increased our exposure to several existing positions during the quarter, including **Lundin Mining Corporation**, **Japan Exchange Group, Inc.**, **Tokyo Electron Limited**, **Mitsubishi UFJ Financial Group, Inc.**, **Airbus SE**, and **TotalEnergies SE**. We exited a few positions during the quarter consistent with our efforts to seek greater concentration in our higher conviction investments. Disposals included **LY Corporation**, **Dino Polska S.A.**, **China Mengniu Dairy Co. Ltd.**, and **Indus Towers Limited**.

## Outlook

The best performing global markets/regions on a year-to-date and U.S. dollar basis are Korea (+57%), Latin America (+43%), China (+42%), and Europe (+28%). As Europe constitutes roughly 40% of the Fund's exposure, a similar weight to the Benchmark, this region represents by far the largest contribution to total return. As referenced in our previous letter, we remain enthusiastic regarding enhanced potential GDP growth and particularly earnings growth, as Europe is embarking on a material increase in defense and infrastructure spending, funded by a vector change in fiscal and credit expansion. This change in funding is further supported by the Savings and Investment Union (SIU), which is facilitating the continent's transition to securitization financing, a potential sea change in our view for capital access and credit pricing. Further, we believe an increase in bank debt, bond issuance, and securitization will lead to enhanced growth potential throughout the broader economy. Our investments in China and Korea, while much less in aggregate weight, also stand out as the next largest drivers of aggregate contribution to returns, and we believe both jurisdictions remain early in their respective growth and productivity cycles, with many of our holdings in these markets experiencing a step-function improvement in earnings and growth potential.

Global equities added to solid year-to-date gains during the recently ended third quarter, with the initiation of a Fed easing cycle and ongoing enthusiasm towards AI-related investments in our view being the principal catalysts. While there remains considerable uncertainty regarding the potential inflationary impact of U.S. tariffs, and we suspect this factor should begin to become clearer in the current quarter, it remains evident that a global central bank easing cycle is underway. As we have remarked in previous letters, we believe that the paradigm shift in U.S. trade and immigration policy, alongside accommodative monetary policy, likely shifts the epicenter of the global inflation impulse to U.S. shores, leaving the Fed with less room to maneuver than many foreign counterparts for the first time in decades. In our view the likely result would be steeper rate cuts and more earnings upside in non-U.S. jurisdictions, which we expect to help sustain related equity outperformance for longer than most investors currently expect.

A second major driver of global equities during the recent quarter was continued optimism regarding the transition from AI training to inferencing, evidenced by a succession of announcements related to large-scale AI data center, GPU, and power sector commitments. The promise of AI productivity gains continues to dominate investor attention, and we have remarked in recent letters that non-U.S. jurisdictions also offer many attractive candidates in which to invest. While the developing AI ecosystem led by U.S. hyperscalers and GPU designers such as Microsoft/OpenAI, Alphabet, Meta, Amazon, NVIDIA, and Broadcom is well appreciated, we have commented for over a year that less recognized or accepted are the impressive advances China has been making in its technology arena, though handicapped and against the odds, particularly related to AI, semiconductors, automated driving, EV battery technology and humanoid robotics. Though as we have consistently stated, we believe 2025 would prove to be the year that global investors finally realize they can no longer ignore what is happening there. First was the "DeepSeek moment" early in the year, and then Alibaba's "AI moment" late in the third quarter. Suddenly, it appears the China AI ecosystem – the only potential rival to that of the U.S. – is finally gaining respect and investor recognition.

The American hyperscalers are set to invest nearly \$400 billion in data center infrastructure this year alone, marking the third consecutive year of frenzied expansion in what appears an AI arms race. By contrast, China's technology giants are only beginning their buildout, about two years behind their U.S. counterparts, with annual spending still under \$50 billion. China's ambition and capabilities have now become clear – to achieve global relevance and market share while driving domestic productivity and economic growth. The U.S. of course retains a solid lead in cutting-edge GPUs and frontier model development, but concerns about capital intensity, overcapacity, and the shrinking useful life GPU design/productivity advantage are mounting. China, by contrast, is navigating this cycle with discipline, perhaps out of necessity, as sweeping U.S. export restrictions have pushed Chinese firms to adopt a "do more with less" mentality. Indeed, they have doubled down on open-source large language models—where Chinese companies have emerged as global leaders—and pioneered architectural breakthroughs that enable performance comparable to top U.S. models at a fraction of the computing cost.

Beyond increasingly competitive hardware and software, China possesses four structural advantages. First, data: with 1.1 billion internet users, the world's largest digital population, Chinese AI models benefit from unmatched user interaction data essential for training generative systems. Second, talent: China is home to roughly half the world's AI researchers. Third, power: China is expected to add over 500 gigawatts of new capacity in 2025—nearly ten times U.S. additions—providing the vast energy resources needed for AI data centers, at a time when the U.S. faces growing power constraints. Fourth, cost: China's large pool of skilled, low-cost engineers, combined with unmatched manufacturing scale and supply chain efficiency, enables it to build and operate AI infrastructure far more economically than the U.S. and Europe.



Our investment approach reflects conviction across the entire AI stack. Our holding in **Alibaba Group Holding Limited** captures the infrastructure and model layers, as the company is a principal provider of cloud computing resources for AI workloads, from chip design to model training to enterprise deployment. Our position in **Tencent Holdings Limited** offers exposure to the application layer, with the company uniquely positioned to apply AI across its dominant platforms in social networking, gaming, and digital services—areas where AI integration is already boosting engagement and monetization. We expect our investments in **Pony AI Inc.**, a global leader in autonomous mobility, to benefit from the emergence of robotaxi services, an example of “physical AI”. Finally, we believe other holdings such as **GDS Holdings Limited**, **Kingdee International Software Group Company Limited**, **Kuaishou Technology**, and **Zhejiang Shuanghuan Driveline Co., Ltd.** are also well-positioned to capture significant upside from

China’s AI and broader technology transformation. In addition, as we look forward, our research suggests an increasing possibility of a marked improvement in economic relations between the Trump administration and China. We do not believe the market currently expects any “grand compromise” and will not elaborate until more concrete evidence and/or details become clear, however we would consider any such development as upside to our current base case for both China and non-U.S. equities in general.

We look forward to our next update and *thank you for investing in the Baron International Growth Fund.*

Sincerely,



Michael Kass  
Portfolio Manager

<sup>1</sup> The **MSCI ACWI ex USA Index Net (USD)** is designed to measure the equity market performance of large and mid cap securities across 22 of 23 Developed Markets (DM) countries (excluding the U.S.) and 24 Emerging Markets (EM) countries. The **MSCI ACWI ex USA IMI Growth Index Net (USD)** is designed to measure the performance of large, mid and small cap growth securities exhibiting overall growth style characteristics across 22 of 23 DM countries (excluding the U.S.) and 24 EM countries. MSCI is the source and owner of the trademarks, service marks and copyrights related to the MSCI Indexes. The indexes and the Fund include reinvestment of dividends, net of foreign withholding taxes, which positively impact the performance results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly in an index.

<sup>2</sup> The performance data does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares.

<sup>3</sup> 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.

<sup>4</sup> Not annualized.

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**Risks:** Non-U.S. investments may involve additional risks to those inherent in U.S. investments, including exchange-rate fluctuations, political or economic instability, the imposition of exchange controls, expropriation, limited disclosure and illiquid markets. This may result in greater share price volatility. Securities of small and medium-sized companies may be thinly traded and more difficult to sell. Even though the Fund is diversified, it may establish significant positions where the Adviser has the greatest conviction. This could increase volatility of the Fund’s returns.

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

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

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

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QUARTERLY LETTER | SEPTEMBER 30, 2025

## Baron FinTech Fund®

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



Josh Saltman  
Portfolio Manager

Dear Baron FinTech Fund Shareholder,

### Performance

In the quarter ended September 30, 2025, Baron FinTech Fund (the Fund) fell 4.29% (Institutional Shares) compared with a 1.90% decline for the FactSet Global FinTech Index (the Benchmark). Since inception, the Fund has risen at an 11.10% annualized rate compared with 4.00% for the Benchmark.

U.S. equities were broadly higher in the third quarter, building on gains from the prior quarter. The resumption of Federal Reserve (the Fed) rate cuts and AI optimism were the key drivers of market strength. Following signs of labor market weakness, the Fed resumed its rate-cutting cycle in September, lowering its policy rate by a quarter point after being on hold since its previous cut last December. Robust corporate earnings, narrowing trade uncertainty, resilient consumer spending, and greater capital markets activity also contributed to market gains during the quarter.

The Magnificent Seven complex dominated market returns for a second consecutive quarter, accounting for nearly two-thirds of the S&P 500 Index's third quarter gains. The group appreciated 15.5%, significantly outperforming the 4.6% gain for all other securities in the index. Small caps outperformed in the third quarter, up more than 12%, which narrowed the gap with mid- and large-cap stocks this year. Performance was mixed between growth and value for the quarter, with growth outperforming for large caps and value outperforming for mid- and small-caps. Outside the U.S., emerging market stocks outperformed due to a tech-driven rally in Chinese equities while performance in developed markets was held back by weakness in continental Europe.

The Fund trailed the Benchmark and the S&P 500 Index during the third quarter. Underperformance versus the Benchmark was driven by stock selection in Enterprise Software, Information

### Annualized performance (%) for period ended September 30, 2025<sup>†</sup>

	Fund Retail Shares <sup>1,2</sup>	Fund Institutional Shares <sup>1,2</sup>	FactSet Global FinTech Index <sup>1</sup>	S&P 500 Index <sup>1</sup>	MSCI ACWI Index <sup>1</sup>
QTD <sup>3</sup>	(4.35)	(4.29)	(1.90)	8.12	7.62
YTD <sup>3</sup>	3.01	3.20	3.26	14.83	18.44
1 Year	8.39	8.66	7.74	17.60	17.27
3 Years	19.02	19.31	14.79	24.94	23.12
5 Years	6.92	7.19	2.44	16.47	13.54
Since Inception (12/31/2019)	10.84	11.10	4.00	15.26	11.94

Services, and Tech-Enabled Financials. Challengers outperformed Leaders for a second consecutive quarter (up 1.1% versus down 6.0%, respectively), which weighed on relative performance given the Fund's lower exposure to Challengers. International stocks outperformed U.S. stocks (up 2.3% versus down 4.9%, respectively), which also weighed on relative performance given the Fund's more domestic skew. The Fund's lack of exposure to the Magnificent Seven was a headwind to performance against the S&P 500 Index as was the Fund's high exposure to Financials given the sector trailed the broader Index by nearly 5% in the period.

Style factors also worked against relative performance this quarter. The best performing stocks had high beta, high volatility, and high earnings variability, while the worst performing stocks were mid-caps with strong profitability and high earnings quality. In other words, we experienced a junk rally in the third quarter where riskier stocks outperformed and quality stocks

*Performance listed in the above table is net of annual operating expenses. The gross annual expense ratio for the Retail Shares and Institutional Shares as of April 30, 2025 was 1.56% and 1.13%, respectively, but the net annual expense ratio was 1.20% and 0.95% (net of the Adviser's fee waivers), respectively. The performance data quoted represents past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original cost. The Adviser waives and/or reimburses certain Fund expenses pursuant to a contract expiring on August 29, 2036, 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](http://BaronCapitalGroup.com) or call 1-800-99-BARON.*

underperformed. Relative to the Benchmark, the Fund skews much higher quality with wider profit margins, better free cash flow characteristics, and higher returns on capital. Quality stocks have historically outperformed over time but not all the time. We believe this quarter's underperformance will prove to be anomalous and short-lived.

Performance in Enterprise Software was hindered by double-digit declines from accounting software leader **Intuit Inc.** and financial data and analytics provider **FactSet Research Systems Inc.** Intuit's share price was pressured by perceived threats from generative AI and a softer growth outlook for its QuickBooks franchise. Despite reporting solid quarterly results, FactSet's stock was impacted by concerns about AI, a recent CEO transition, higher investment spending, and cautious commentary from industry peers. There has been no indication that AI disintermediation is happening to any of our software holdings. Consensus estimates for 2026 revenue have been stable for FactSet and rising for Intuit, so their share price declines have been driven by changing sentiment rather than fundamentals. However, the AI risk case is difficult to disprove, and higher spending on AI tools is weighing on near-term margins with limited visibility on any potential revenue uplift. While some valuation multiple compression is understandable, we expect generative AI represents more of an opportunity than a threat for our software investments as these companies use AI to launch new products and operate more efficiently.

Within Information Services, data and analytics companies **Fair Isaac Corporation (FICO)** and **Verisk Analytics, Inc.** hampered performance for a second consecutive quarter. Despite reporting strong quarterly results and raising full-year guidance, FICO's shares underperformed due to regulatory pressure from the Federal Housing Finance Agency, with director Bill Pulte advocating for greater credit score competition in the mortgage market. We expect FICO to retain its dominant market position and continue growing earnings per share at a rapid rate from price increases, a rebound in mortgage originations, and continued growth in non-mortgage consumer lending. Verisk's stock detracted from performance due to a slower near-term growth outlook, modest earnings dilution from a recent acquisition, softer industry pricing for property and casualty insurance, and perceived threats from generative AI. Nonetheless, Verisk reported strong quarterly earnings and management sounded upbeat on the company's growth potential. We maintain conviction in the competitive positioning, long-term growth, margin expansion, and capital deployment prospects for the business.

Weakness in Tech-Enabled Financials was driven by declines from our insurance holdings, as softer industry pricing and lower interest rates weigh on growth. We trimmed our insurance exposure at higher prices earlier in the year in anticipation of this industry slowdown. Leading independent broker-dealer **LPL Financial Holdings Inc.** was responsible for most of the remaining relative losses in the category. Expectations for faster interest rate cuts weighed on the stock since LPL earns less interest income on client cash as rates fall. However, the market's long-term rate forecast was stable, leaving the company's earnings potential unchanged. LPL is also digesting a sizable acquisition of Commonwealth Financial Network, an independent broker-dealer that caters to affluent investors. Although the deal should drive stronger growth over time, it currently offers limited near-term

earnings upside and requires significant management attention to ensure a successful integration. While investor sentiment has cooled given the lack of near-term catalysts and expectations for lower rates, we believe LPL's long-term fundamentals and earnings power remain intact.

Somewhat offsetting the above was unique exposure to Capital Markets, where online brokerage firms **Robinhood Markets, Inc.** and **Interactive Brokers Group, Inc.** contributed most of the relative gains. Robinhood's stock performed well due to strong retail trading activity and new product announcements. Interactive Brokers benefited from strong account growth and favorable market conditions, as rising asset prices and elevated trading volumes drove rapid growth in trading commissions.

Top contributors to performance for the quarter

	Contribution to Return (%)
Robinhood Markets, Inc.	1.42
Interactive Brokers Group, Inc.	0.77
Shopify Inc.	0.53
Nu Holdings Ltd.	0.42
Houlihan Lokey, Inc.	0.35

**Robinhood Markets, Inc.**, a provider of commission-free trading and investing tools, contributed to performance. Shares rose due to higher customer engagement and new product launches. The company continues to gain share in a large and growing market, with customer assets of \$304 billion as of August 31, up 112% from a year ago. Trading activity remains robust across equities, options, and cryptocurrencies. During the third quarter, Robinhood expanded its prediction market offering with over 2 billion contracts traded, doubling the total from last quarter. The company also announced new features, such as a social trading platform aimed at boosting user engagement. Robinhood's young customer base and expanding feature set support multiple avenues for increasing revenue per user over time. We continue to own the stock due to its long-term earnings potential, driven by strong account growth, rising client assets, and rapid pace of innovation.

Leading online brokerage firm **Interactive Brokers Group, Inc.** contributed to performance, driven by strong earnings growth and market tailwinds. In the third quarter, revenue grew 21% and earnings per share grew 41%, both exceeding Street expectations. Customer accounts grew 32% to 4.1 million, reflecting strong international demand for access to U.S. markets and the attractiveness of the company's low-cost offering. Interactive Brokers is also benefiting from favorable market conditions, as rising asset prices and elevated trading activity contribute to growth in trading commissions and asset-based fees. We continue to own the stock due to the company's long runway for growth and automation-driven cost advantages.

**Shopify Inc.** is a cloud-based software provider that helps merchants sell online. Shares rose during the quarter as the company continued to deliver solid results, with second quarter revenue up 30% and gross merchandise volume up 29%. Growth

was widespread across Shopify's merchant base and supported by successful expansion into offline, international, and business-to-business channels. Shares also benefited from progress in agentic commerce (AI-powered online shopping), underscored by Shopify's partnership with OpenAI. We believe Shopify's product suite is becoming increasingly attractive to merchants of all sizes and nationalities, further expanding its addressable market. We remain shareholders due to Shopify's strong competitive positioning, innovative culture, and long runway for growth, as it still holds less than a 2% share of the global commerce market.

#### Top detractors from performance for the quarter

	Contribution to Return (%)
Tradeweb Markets Inc.	(0.88)
FactSet Research Systems Inc.	(0.65)
Morningstar, Inc.	(0.57)
Intuit Inc.	(0.57)
Fair Isaac Corporation	(0.56)

**Tradeweb Markets Inc.** operates electronic marketplaces for trading fixed income securities. Shares declined due to a slowdown in trading activity amid lower market volatility and challenging comparisons against last year's elevated growth. Nevertheless, business trends remain solid, with trading volumes up 12% in the third quarter, which we anticipate will drive double-digit revenue growth. We continue to own the stock due to Tradeweb's strong network effects, long track record of innovation, and significant growth opportunities tied to the ongoing electrification of capital markets.

**FactSet Research Systems Inc.** is a leading provider of data and analytics tools for the financial services industry. Shares fell during the quarter due to concerns about potential threats from generative AI, a recent CEO transition, investment-driven margin pressure, and cautious commentary from industry peers. FactSet nevertheless reported solid fiscal fourth quarter 2025 financial results with record-high new sales, and management expressed confidence that AI creates compelling growth opportunities for the company. We retain conviction in FactSet given its large addressable market, entrenched competitive positioning, new product development, and attractive financial characteristics.

**Morningstar, Inc.** is a leading data provider for the investment community. Shares declined alongside a broad-based pullback in information services stocks due to perceived threats from generative AI and a market rotation away from high-quality companies. AI concerns were likely amplified by a modest slowdown in PitchBook, Morningstar's private markets data and research platform, which still grew revenue by 10% in the recent quarter. We believe these concerns are overdone and expect that Morningstar's investment data and PitchBook's proprietary insights will remain highly valuable to clients. We continue to own the stock and expect faster revenue growth with continued margin expansion over time.

## Portfolio Structure

We seek to invest in competitively advantaged, growing fintech companies for the long term. We invest in companies across all market capitalizations and geographies. As of September 30, 2025, the Fund held 46 positions (36 excluding those smaller than 1%). The Fund's 10 largest holdings represented 41.2% of net assets, and the 20 largest holdings represented 68.6% of net assets. International stocks represented 12.2% of net assets. The market capitalization range of our holdings was \$950 million to \$672 billion with a median of \$35 billion and a weighted average of \$127 billion.

We segment the Fund's holdings into investment themes. As of September 30, 2025, Tech-Enabled Financials represented 29.3% of net assets, Information Services represented 19.7%, Capital Markets represented 16.7%, Enterprise Software represented 14.3%, Payments represented 11.6%, and E-Commerce represented 6.9%. Relative to the Benchmark, the Fund remains underweight in Payments and Enterprise Software, and has overweight positions in Tech-Enabled Financials, Capital Markets, Information Services, and E-Commerce.

We also segment the Fund's holdings between Leaders and Challengers. Leaders are generally larger, more established companies with stable growth rates, higher margins, and moderate valuation multiples. Challengers are generally smaller, earlier-stage companies with higher growth rates, lower margins, and higher valuation multiples. As of September 30, 2025, Leaders represented 69.3% of net assets and Challengers represented 29.2%, with the remainder in cash.

#### Top 10 holdings

	Year Acquired	Market Cap When Acquired (\$B)	Quarter End Market Cap (\$B)	Quarter End Investment Value (\$M)	Percent of Net Assets (%)
Mastercard Incorporated	2020	306.1	514.2	3.3	4.6
Visa Inc.	2020	376.2	672.4	3.2	4.6
MercadoLibre, Inc.	2020	53.7	118.5	3.1	4.4
S&P Global Inc.	2020	67.9	152.1	3.1	4.3
Robinhood Markets, Inc.	2024	35.0	127.2	3.0	4.2
Guidewire Software, Inc.	2020	9.1	19.4	2.9	4.1
Interactive Brokers Group, Inc.	2023	33.8	117.0	2.9	4.1
Intuit Inc.	2020	69.3	190.4	2.7	3.8
LPL Financial Holdings Inc.	2021	12.9	26.6	2.7	3.7
KKR & Co. Inc.	2024	88.9	115.8	2.4	3.3



## Fund investments in GICS sub-industries

	Percent of Net Assets (%)
Financial Exchanges & Data	18.0
Investment Banking & Brokerage	17.6
Transaction & Payment Processing Services	15.1
Application Software	14.8
Property & Casualty Insurance	5.7
Asset Management & Custody Banks	5.1
Research & Consulting Services	4.6
Broadline Retail	4.4
Diversified Banks	2.9
Diversified Financial Services	2.9
Internet Services & Infrastructure	2.5
Insurance Brokers	1.6
Consumer Finance	1.2
Life & Health Insurance	1.1
Real Estate Services	1.0
Cash and Cash Equivalents	1.5
<b>Total</b>	<b>100.0*</b>

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

## Recent Activity

### Top net purchases for the quarter

	Quarter End Market Cap (\$B)	Net Amount Purchased (\$K)
Capital One Financial Corporation	135.9	892.4
Accelerant Holdings	3.3	382.1
Clearwater Analytics Holdings, Inc.	5.3	58.4
Equifax Inc.	31.8	53.3
The Charles Schwab Corporation	178.2	47.6

During the quarter, we invested in **Capital One Financial Corporation**, a leading credit card issuer. We believe Capital One's acquisition of Discover is a game-changer that will create significant value through network ownership and market share gains.

Founded in 1994 by Chairman/CEO Richard Fairbank and Nigel Morris, Capital One pioneered the use of data and analytics to market credit cards and underwrite loans. Instead of treating credit cards as a homogenous product like the rest of the industry, Fairbank and Morris used vast amounts of data paired with quantitative analysis to offer the right product to the right customer at the right price. Fairbank is an adept operator having made several important strategic decisions over the years, such as acquiring retail banks with stable consumer deposit franchises to eliminate the company's dependence on the fickle wholesale funding market. In 2012, the company launched a comprehensive digital transformation initiative that, according to management, would "build a technology company that does banking instead of

a bank that just uses technology." By 2020, Capital One became the first major U.S. bank to fully exit its legacy data centers and move to the public cloud, enabling faster innovation and the use of machine learning and AI. Management recognized the importance of building their own applications, so they brought application development in-house and massively expanded the technology team to over 12,000 software engineers. Management's strategic vision and tech-led approach have led to significant growth, with assets growing by 9 times over the last 20 years.

This past May, Capital One completed a landmark acquisition of Discover. Discover's key asset is a payment network that competes with Visa, Mastercard, and American Express. While Discover is much smaller than Visa and Mastercard, this combination provides Capital One with a closed-loop payment network and the ability to earn higher interchange fees by shifting Capital One's debit cards over to the Discover network to avoid the Durbin regulated debit interchange cap. We estimate this additional revenue and other cost synergies will lift earnings by 15% within two years. Longer term, Capital One's ownership of the card infrastructure could unlock other monetization opportunities, such as adding card issuers to the Discover network and becoming a more comprehensive fintech enabler. In addition, we believe Capital One is significantly overcapitalized with an estimated \$17 billion of excess capital, representing 12% of the company's market capitalization. We expect accelerated capital returns through higher dividends and a faster pace of share repurchases.

We purchased the stock at less than 10 times our estimate of pro forma earnings power. Credit risk can weigh on the valuation multiple, but credit trends are healthy with delinquency and charge-off rates declining on a year-over-year basis. We think Capital One's data-driven strategy, ownership of scarce assets, and leadership by a visionary founder-CEO will sustain strong earnings growth over the long run.

### Top net sales for the quarter

	Quarter End Market Cap (\$B)	Net Amount Sold (\$K)
The Progressive Corporation	144.8	342.9
LPL Financial Holdings Inc.	26.6	202.6
Arch Capital Group Ltd.	33.9	177.0
Interactive Brokers Group, Inc.	117.0	146.1
Guidewire Software, Inc.	19.4	139.1

We trimmed **The Progressive Corporation** and **Arch Capital Group Ltd.** to limit our insurance industry exposure in a softening market cycle. We trimmed **LPL Financial Holdings Inc.**, **Interactive Brokers Group, Inc.**, and **Guidewire Software, Inc.** following strong recent performance to manage the position sizes and fund purchases elsewhere. We eliminated our small remaining Digital IT Services positions (**Accenture plc**, **Globant S.A.**, and **CI&T, Inc.**) due to slow growth and longer-term concerns about the impact of generative AI on the consulting and outsourced software development industry.

## Outlook

We are optimistic about the fundamentals and return prospects for the Fund. Economic trends remain favorable despite persistent uncertainty. Economists expect GDP growth to exceed 2% in the third quarter, and the unemployment rate remains low by historical standards. Inflation has been stable around 3%, which has enabled the Fed to resume its rate-cutting cycle. Trade policy remains a wildcard, but tensions have eased as negotiations continue. Earnings prospects remain bright for our holdings, so a pullback in valuations has increased the expected returns.

At the start of the fourth quarter, there has been greater focus on credit quality across the traditional lending and private capital markets. The bankruptcies of automotive-related companies First Brands and Tricolor have raised concerns about additional risk following an extended period of benign credit conditions. A colorful quote from Jamie Dimon on JPMorgan's recent earnings call ("When you see one cockroach, there are probably more") gained significant attention in the general press, even though he was talking about JPMorgan's own underwriting standards given its unfortunate participation in the defaulted Tricolor loan. Our more credit-sensitive holdings, such as **KKR & Co. Inc.** and **Apollo Global Management, Inc.**, saw their share prices pull back as investors extrapolated negative headlines to the broader private credit industry. So far, the recent string of credit issues has been characterized as one-off and idiosyncratic in more cyclical parts of the economy and where fraud occurred. It's also notable that the two large auto industry bankruptcies were from loans made by traditional banks instead of private credit lenders. While it's fair to question if this is the beginning of a broader credit cycle, we have yet to see any notable change in fundamentals for our financial services companies or any material shift in underlying credit quality. Commentary from most other lenders suggest that credit conditions remain stable even as consumers feel pressure from the accumulated effects of elevated inflation and higher interest rates. The Fund has leaned into investor fears to add to positions at attractive valuations.

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

Sincerely,



Josh Saltman  
Portfolio Manager

## Fund Action

On or about **December 12, 2025**, **Baron FinTech Fund** (the “Fund”) will convert from a mutual fund into an exchange-traded fund (ETF) and will be renamed Baron Financial ETF. We are converting the Fund to an ETF to provide shareholders with greater flexibility, lower costs, and increased transparency.

Upon conversion, Baron Financials ETF will invest primarily in financials and financials-related companies of any market cap. These companies are defined as businesses that provide banking, lending, capital markets, financial data analytics, insurance, payments, asset management or wealth management; or develop, use, or rely on innovative technologies or services in a significant way for these activities. A new fee structure will go into effect where a unitary management fee of 0.80% will be adopted. Josh Saltman will remain the portfolio manager of Baron Financials ETF.

All shareholders will receive a direct notification.

- **If shares are held in a brokerage account that can hold ETFs:**  
Shares will automatically convert—no action is needed.
- **If shares are held in accounts that cannot hold ETFs:**  
Shares need to be transferred to an existing or new brokerage account that allows ETF investments before the conversion date. If no transfer is made, shares will be **liquidated** at the time of conversion, and proceeds will be paid in cash (net of any applicable fees and expenses).

For questions, please call the Baron Capital customer service line at **1-844-673-0984** Monday through Friday from 9:00 a.m. to 6:00 p.m. EST.

<sup>1</sup> The Fund’s historical performance was impacted by gains from IPOs and there is no guarantee that these results can be repeated or that the Fund’s level of participation in IPOs will be the same in the future.

<sup>2</sup> The **FactSet Global Fintech Index™** is an unmanaged and equal-weighted index that measures the equity market performance of companies engaged in Financial Technologies, primarily in the areas of software and consulting, data and analytics, digital payment processing, money transfer, and payment transaction-related hardware, across 30 developed and emerging markets. The **S&P 500 Index** measures the performance of 500 widely held large-cap U.S. companies. The **MSCI ACWI Index Net (USD)** is designed to measure the equity market performance of large and midcap securities across 23 Developed Markets and 24 Emerging Markets countries. MSCI is the source and owner of the trademarks, service marks and copyrights related to the MSCI Indexes. The MSCI ACWI Index and the Fund include reinvestment of dividends, net of withholding taxes, while the FactSet Global Fintech Index™ and S&P 500 Index include reinvestment of dividends before taxes. Reinvestment of dividends positively impacts the performance results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly in an index.

<sup>3</sup> The performance data in the table does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemptions of Fund shares.

<sup>4</sup> Not annualized.

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

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

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

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

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

**Beta** explains common variation in stock returns due to different stock sensitivities to market or systematic risk that cannot be explained by the US Country factor. Positive exposure indicates high beta stock. Negative exposure indicates low beta stock. **Active Share** a term used to describe the share of a portfolio’s holdings that differ from that portfolio’s benchmark index. It is calculated by comparing the weight of each holding in the Fund to that holding’s weight in the benchmark. Positions with either a positive or negative weighting versus the benchmark have Active Share. An Active Share of 100% implies zero overlap with the benchmark.

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

# Baron Health Care Fund®

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

Dear Baron Health Care Fund Shareholder,

## Performance

In the quarter ended September 30, 2025, Baron Health Care Fund (the Fund) increased 5.39% (Institutional Shares), compared with the 5.05% gain for the Russell 3000 Health Care Index (the Benchmark) and the 8.18% gain for the Russell 3000 Index (the Index). Since inception (April 30, 2018), the Fund increased 9.30% on an annualized basis compared with the 8.68% gain for the Benchmark and the 14.48% gain for the Index.

The Fund performed similarly to the Benchmark in the quarter. Solid stock selection was mostly offset by adverse impacts from active sub-industry weights and cash exposure in an up market.

Strong stock selection in biotechnology contributed the vast majority of relative gains in the period, with the main drivers being **argenx SE** and **Insmed Incorporated**. Argenx is best known for developing Vyvgart, the leading FcRn inhibitor for the treatment of autoimmune conditions. The company's shares rose after second-quarter Vyvgart sales meaningfully exceeded investor expectations, rebounding from prior weakness linked to seasonal factors (such as insurance reverification) and higher Medicare Part D utilization and associated discounts. Insmed has three lead pulmonology drugs that could collectively generate over \$8 billion of peak sales. One of the three drugs, Brinsupri for non-cystic fibrosis bronchiectasis, represents a \$5-plus billion opportunity. The company's shares rose sharply after Brinsupri was approved in August. We offer additional thoughts on argenx and Insmed later in the letter. Other notable contributors in the sub-industry were **Arcellx, Inc.** (developing cell therapy for multiple myeloma), **Ionis Pharmaceuticals, Inc.** (developing RNA-targeted therapeutics), **Cidara Therapeutics, Inc.** (developing a long-acting anti-viral to prevent influenza), and **Xenon Pharmaceuticals Inc.** (developing novel medicines to treat epilepsy, depression, and pain).

*Performance listed in the above table is net of annual operating expenses. The gross annual expense ratio for the Retail Shares and Institutional Shares as of April 30, 2025 was 1.18% and 0.87%, respectively, but the net annual expense ratio was 1.10% and 0.85% (net of the Adviser's fee waivers), respectively. The performance data quoted represents past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original cost. The Adviser waives and/or reimburses certain Fund expenses pursuant to a contract expiring on August 29, 2036, 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](http://BaronCapitalGroup.com) or call 1-800-99-BARON.*



Neal Kaufman  
Portfolio Manager

## Annualized performance (%) for period ended September 30, 2025<sup>†</sup>

	Fund Retail Shares <sup>1,2</sup>	Fund Institutional Shares <sup>1,2</sup>	Russell 3000 Health Care Index <sup>1</sup>	Russell 3000 Index <sup>1</sup>
QTD <sup>3</sup>	5.36	5.39	5.05	8.18
YTD <sup>3</sup>	(2.69)	(2.49)	2.36	14.40
1 Year	(12.04)	(11.83)	(7.62)	17.41
3 Years	4.51	4.75	6.71	24.12
5 Years	3.23	3.48	5.96	15.74
Since Inception (4/30/2018)	9.03	9.30	8.68	14.48

Investments in health care services and health care technology also added value, with outpatient diagnostic imaging centers operator **RadNet, Inc.** and AI-driven coronary artery disease management platform **Heartflow, Inc.** leading the way in these sub-industries. RadNet's shares rose on quarterly results that exceeded expectations, reflecting strong volume trends, and raised 2025 guidance. We retain long-term conviction in RadNet given the aging U.S. population, the shift towards lower-cost outpatient settings, the growth of advanced imaging procedures, and the benefits that AI and new technologies are having on the company's operations.

Heartflow's shares performed exceptionally well after the company's August IPO was well received by investors. The company's solution provides a minimally invasive way to diagnose blockages in the heart vessels, reducing both false negatives and false positives relative to the standard of care today. The



company has a strong competitive moat, with a repository of 110 million images supplemented by human-aided training that has taken over 10 years to build. We like the asset-light nature of the business, along with the margin expansion opportunity as the AI algorithm improves with scale and data, enabling Heartflow to reduce the number of employee hours involved in real-time workflows. Heartflow has over 600 peer-reviewed publications, its solution has been approved by the FDA, and its core product has 99% insurance coverage. We remain excited about Heartflow’s prospects given the company is in the early innings of its growth ramp.

Partially offsetting the above was poor stock selection in health care equipment coupled with higher exposure to this lagging sub-industry, which was a 160 basis point drag on performance. Weakness in health care equipment was broad based, led by declines from **Masimo Corporation** and **Boston Scientific Corporation**. Masimo is a medical device company that manufactures and sells a range of non-invasive patient monitoring technologies, best known for its pulse oximeters that measure blood oxygen levels. Shares fell after the company reported quarterly results that raised concerns about a steep decline in incremental contract value. However, this metric is inherently uneven, as it depends on deal timing and when contracts come up for bid. By contrast, unrecognized contract revenue (the backlog) remains strong. We believe stable compounding in Masimo’s core health care business, together with cost rationalization and disciplined spending, should allow the company to achieve its goal of more than doubling earnings per share within five years.

Boston Scientific is a global manufacturer of medical devices used in a broad range of interventional medical specialties. While the company continues to execute well, particularly with its Watchman device and pulsed field ablation (PFA) offerings, shares fell during the quarter amid rising competition in the attractive PFA space for treating arrhythmia. We maintain conviction and discuss Boston Scientific in greater detail later in the letter.

Apart from cash, disappointing stock selection in life sciences tools & services and pharmaceuticals also weighed heavily on performance. Performance in life sciences tools & services was hindered by **Waters Corporation**, a leader in providing quality control instruments and consumables for biopharmaceutical drug manufacturing. Shares fell after Waters announced the acquisition of Becton, Dickinson’s biosciences and diagnostics assets, a move that we thought would dilute the company’s growth rate and margins. Management’s rationale for the transaction was that they believed they could turn around an underperforming business. In our view, this fundamentally changed our original investment thesis, and we exited our position in favor of other opportunities.

Within pharmaceuticals, the Fund’s large position in **Eli Lilly and Company** accounted for a portion of the stock-specific weakness in the sub-industry. Lilly’s stock price fell modestly after Phase 3 data for the company’s oral drug orforglipron in obesity fell short of elevated investor expectations. Investors had anticipated roughly 13% to 14% placebo-adjusted weight loss, while the trial

showed 11.5%. The stock was also pressured by broader regulatory uncertainty related to potential sector tariffs and drug pricing risks. Lilly remains the largest position in the Fund, and we continue to be excited about the company’s long-term prospects. Poor stock selection in pharmaceuticals was exacerbated by not owning Benchmark heavyweight Johnson & Johnson, whose share price rose 22.3% in the period, detracting 116 basis points from relative results. We did not think Johnson & Johnson would meet our growth hurdle of achieving at least double-digit earnings growth over the long term but clearly other investors saw something we missed. We have been evaluating whether this move in the stock reflected a short-term recovery from a discounted valuation or a change in the long-term growth outlook versus our prior expectations.

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

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

Top contributors to performance for the quarter

	Contribution to Return (%)
argenx SE	2.58
Insmed Incorporated	1.29
RadNet, Inc.	0.92
Arcellx, Inc.	0.73
AbbVie Inc.	0.59

**Argenx SE** is a biotechnology company best known for developing Vyvgart, the leading FcRn inhibitor for the treatment of autoimmune conditions. Shares rose after second-quarter Vyvgart sales meaningfully exceeded investor expectations, rebounding from prior weakness linked to seasonal factors (such as insurance reverification) and higher Medicare Part D utilization and associated discounts. Our conversations with management and neurologists continue to reinforce Vyvgart’s value as an important treatment option with strong long-term growth potential. The drug continues to launch well in generalized myasthenia gravis, and its launch in chronic inflammatory demyelinating polyneuropathy is off to a

strong start. Over time, we expect Vyvgart to demonstrate efficacy across an expanding range of autoantibody-driven autoimmune conditions, and we are encouraged by argenx's progress with its next pipeline candidate, ARGX-119, in neuromuscular diseases.

**Insmed Incorporated** is a biotechnology company developing therapies for serious pulmonary diseases, with three lead drug candidates that collectively have the potential to generate more than \$8 billion in peak sales. Shares rose during the quarter following the U.S. approval of Brinsupri for non-cystic fibrosis bronchiectasis, a condition affecting an estimated 500,000 patients in the U.S. that is often misdiagnosed as asthma or chronic obstructive pulmonary disease, representing a \$5 billion-plus opportunity given the lack of approved treatments. We are also optimistic about treprostinil palmitil inhalation powder (TPIP), a once-daily prostanoid in development for pulmonary arterial hypertension and pulmonary hypertension associated with interstitial lung disease. Unlike existing inhaled prostanoids—currently a \$2 billion-plus market requiring four daily doses—TPIP can be administered once a day at higher doses, which we think will result in improved efficacy with fewer side effects.

**RadNet, Inc.** is the largest operator of outpatient diagnostic imaging services and related solutions in the U.S. Shares rose on quarterly results that exceeded expectations, reflecting strong volume trends, and raised 2025 guidance. Revenue grew 8.4% and EBITDA rose 12.3%, beating consensus by 2% and 6%, respectively, supported by total imaging volume growth of 4.9%. Same-store advanced imaging growth accelerated 300 basis points sequentially to 6.6%, while routine imaging increased 1.9%. Adjusted EBITDA margin reached 16.4%. Higher-revenue advanced procedures (CT, PET/CT, MRI) now represent 27.5% of total screenings. The Digital Health segment also outperformed, with revenue up roughly 31% and adjusted EBITDA up 4.1%. Management cited positives such as an expected 3.3% Medicare rate hike in 2026, expanded MRI and ultrasound capacity through AI-enabled software upgrades, a strong de novo pipeline (11 new sites in both 2025 and 2026), and potential cost savings from improved call center efficiency. We retain long-term conviction in RadNet given the aging U.S. population, the shift towards lower-cost outpatient settings, and the company's operational scale and AI capabilities.

#### Top detractors from performance for the quarter

	Contribution to Return (%)
Intuitive Surgical, Inc.	(0.87)
Eli Lilly and Company	(0.57)
Boston Scientific Corporation	(0.56)
Waters Corporation	(0.56)
Masimo Corporation	(0.51)

**Intuitive Surgical, Inc.** manufactures the da Vinci Surgical System, a robotic surgical system used for minimally invasive surgical procedures. The stock detracted from performance amid investor concerns about financial pressure on hospital customers

following Medicaid cuts included in the One Big Beautiful Bill Act. Additional concerns emerged regarding the potential use of third-party reprocessed instruments with Intuitive's robotic systems. We believe hospitals are likely to be cautious about adopting reprocessed instruments given potential quality, reliability, and liability risks. Looking ahead, we see a long runway for growth as adoption of Intuitive's robotic systems continues to expand across a growing range of surgical procedures.

**Eli Lilly and Company** is a global pharmaceutical company currently best known for its GLP-1 treatments for diabetes and obesity. Shares declined after Phase 3 data for Lilly's oral orforglipron in obesity fell short of elevated investor expectations. Investors had anticipated roughly 13% to 14% placebo-adjusted weight loss, while the trial showed 11.5%. The stock was also pressured by broader regulatory uncertainty related to potential sector tariffs and drug pricing risks. We view these risks as manageable and believe Lilly is among the least exposed pharmaceutical companies to both. We continue to believe orforglipron will be an important treatment option, as physicians and patients are likely to value the convenience of a daily oral therapy. Long term, we expect the GLP-1 drug class to become the standard of care for diabetes and obesity, ultimately representing a \$150 billion-plus market, and believe Lilly possesses the leading portfolio in this category. In our view, GLP-1 adoption remains in the early stages, and continued uptake should drive a near doubling of Lilly's total revenues by 2030.

**Boston Scientific Corporation** is a global manufacturer of medical devices used in a broad range of interventional medical specialties. While the company continues to execute well, particularly with its Watchman device and pulsed field ablation (PFA) offerings, shares fell during the quarter amid rising competition in the attractive PFA space for treating arrhythmia. Medtronic has launched its Affera system, Johnson & Johnson markets Varipulse, and Abbott offers its Volt system—all large-scale rivals with significant sales forces and established electrophysiology footprints. Despite this competitive backdrop, we believe Boston Scientific remains a strong compounder. Coupled with cost discipline and more than 50 basis points of annual operating margin expansion, we think the company's double-digit earnings per share growth profile makes it a compelling name within the large-cap medical device universe.

#### Portfolio Structure

We build the portfolio from the bottom up, one stock at a time, using the Baron investment approach. We do not try to mimic an index, and we expect the Fund to look very different than the Benchmark. We loosely group the portfolio into three categories of stocks: earnings compounders, high-growth companies, and biotechnology companies. We define earnings compounders as companies that we believe can grow revenue at least mid-single digits and compound earnings at double-digit rates over the long term. We define high-growth stocks as companies we believe can generate double-digit or better revenue growth. They may not be profitable today, but we believe they can be highly profitable

in the future. We expect the portfolio to have a mix of earnings compounders, high-growth, and biotechnology companies.

We may invest in stocks of any market capitalization and may hold both domestic and international stocks. As of September 30, 2025, we held 46 stocks. This compares with 500 stocks in the Benchmark. International stocks represented 14.8% of the Fund's net assets. The Fund's 10 largest holdings represented 47.8% of net assets. Compared with the Benchmark, the Fund was overweight in biotechnology, health care equipment, health care distributors, health care technology, and health care services, roughly market weight in life sciences tools & services and health care facilities, and underweight in pharmaceuticals, managed health care, and health care supplies. The market cap range of the investments in the Fund was \$2.4 billion to \$722.1 billion with a weighted average market cap of \$149.9 billion. This compared with the Benchmark's weighted average market cap of \$224.2 billion.

We continue to invest in multiple secular growth themes in Health Care, such as genomics/genetic testing/genetic medicine, innovative medical devices that improve outcomes and/or lower costs, minimally invasive surgery, anti-obesity medications, *picks and shovels* life sciences tools providers, the shift to lower cost sites of care, beneficiaries of AI, and pet health care, among others. To be clear, this list is not exhaustive: we own stocks in the portfolio that do not fit neatly into these themes and there are other themes not mentioned here that are in the portfolio. We evaluate each stock on its own merits.

## Top 10 holdings

	Year Acquired	Market Cap When Acquired (\$B)	Quarter End Market Cap (\$B)	Quarter End Investment Value (\$M)	Percent of Net Assets (%)
Eli Lilly and Company	2021	187.4	722.1	12.5	9.2
argenx SE	2018	2.8	45.1	9.2	6.8
Boston Scientific Corporation	2023	73.4	144.7	6.8	5.1
Stryker Corporation	2023	98.8	141.3	6.7	4.9
Insmmed Incorporated	2024	12.3	30.4	5.5	4.1
Arcellx, Inc.	2023	1.9	4.6	4.9	3.6
AbbVie Inc.	2025	339.9	409.0	4.9	3.6
Intuitive Surgical, Inc.	2018	49.9	160.3	4.8	3.5
AstraZeneca PLC	2021	188.4	237.9	4.8	3.5
RadNet, Inc.	2024	3.4	5.9	4.6	3.4

## Fund investments in GICS sub-industries

	Percent of Net Assets (%)
Biotechnology	31.8
Health Care Equipment	24.0
Pharmaceuticals	15.2
Life Sciences Tools & Services	10.5
Health Care Services	4.1
Health Care Distributors	3.0
Health Care Facilities	2.2
Health Care Technology	2.1
Managed Health Care	1.8
Cash and Cash Equivalents	5.2
<b>Total</b>	<b>100.0</b>

## Recent Activity

During the quarter, we added 16 new positions and exited five positions, bringing the number of positions in the Fund to 46, roughly in line with historical levels, as we took advantage of attractive valuations given recent underperformance of many stocks in the sector. Below we discuss some of our top net purchases and sales.

## Top net purchases for the quarter

	Quarter End Market Cap (\$B)	Net Amount Purchased (\$M)
AbbVie Inc.	409.0	4.1
UnitedHealth Group Incorporated	312.7	1.5
Roivant Sciences Ltd.	10.3	1.4
Cidara Therapeutics, Inc.	2.4	1.4
Thermo Fisher Scientific Inc.	183.1	1.3

We bought shares of **AbbVie Inc.**, a large biopharmaceutical company with a product portfolio across immunology, oncology, aesthetics, neurosciences, and eye care. Two key growth drivers are Skyrizi, a biologic therapy for plaque psoriasis, psoriatic arthritis, Crohn's disease, and Ulcerative colitis; and Rinvoq, an oral, once daily treatment for multiple inflammatory diseases. After having recently settled litigation with generic manufacturers regarding the generic entry for Rinvoq which pushed out the expected date of competition to 2037, AbbVie has no major patent expirations until the mid-2030s. We expect AbbVie to generate high single-digit top-line growth and low double-digit bottom-line growth for many years. We also expect the company to continue to use its strong balance sheet for small tuck-in acquisitions to expand the company's pipeline and drive future growth.

We repurchased shares of **UnitedHealth Group Incorporated**, a leading managed health care company. After a series of setbacks, the company now has new management in place and has reset earnings guidance for 2025. Although many challenges remain,

including persistently high medical cost trends, rate pressure, the threat of Pharmacy Benefit Manager reform, and ongoing government investigations, the company continues to have competitive advantages including scale, data, vertical integration with service providers, and leadership in Medicare Advantage and value-based care. We see an attractive business trading at close to a 10-year low relative valuation with potential for valuation expansion as earnings recover from depressed levels.

We bought shares of **Roivant Sciences Ltd.**, a biotechnology company which builds subsidiaries or “Vants” to develop specific pipeline drugs. The company’s Vants are set up to be highly focused and very nimble. Roivant has proven the model with success with Telavant, a Roivant subsidiary that developed a TL1A antibody for inflammatory bowel disease and which was sold to Roche in 2023 for \$7.1 billion. In our view, the most interesting current Vants include Immunovant Inc., Priovant, and Genevant. Immunovant (publicly traded as IMVT and Roivant owns 51% of the company on a fully diluted basis) is developing IMVT-1402, an FcRn antibody that will compete with argenx’s Vyvgart. We think IMVT-1402 has the potential to be first-in-class in Graves disease and difficult-to-treat rheumatoid arthritis, which could drive substantial upside. Most recently, Priovant reported positive Phase 3 results for brepocitinib in dermatomyositis, setting it up to become a blockbuster oral drug in this hard-to-treat condition. We think brepocitinib will likely also work in its Phase 3 non-invasive uveitis study. Genevant conducts research on lipid nanoparticle (LNP) drug delivery technology, and together with Arbutus (another Roivant subsidiary) owns foundational intellectual property in this area. Genevant and Arbutus are involved in litigation with Moderna and BioNTech around their use of LNP in covid vaccines. We think Genevant has a reasonable argument against Moderna and await results from the jury trial next spring. If successful, this could result in a multi-billion-dollar award which would further bolster Roivant’s balance sheet (\$4.5 billion of cash) that the company can use to continue to support its pipeline and ongoing business development. Overall, we expect several data readouts in the coming years to de-risk multiple blockbuster opportunities, further proving the Roivant business model and generating upside.

We bought shares of **Cidara Therapeutics, Inc.**, a biotechnology company that is developing an antiviral drug to prevent flu. Cidara’s drug is not a vaccine. Rather, it’s a long-acting antiviral with the potential to be a single-dose, universal preventative against all flu strains. The drug acts by binding to a target on the virus cell surface, inhibiting the virus from replicating. In June, Cidara announced positive top-line results from its 5,000-plus person Phase 2b clinical trial evaluating its drug for the prevention of seasonal flu in healthy unvaccinated adults. A single dose of the antiviral gave up to 76% protection from symptomatic influenza over 24 weeks compared to placebo. The drug was also well-tolerated with no safety issues. By comparison, on average, flu vaccines cut infections by only about 40%, depending on the season, and vaccine efficacy is just 10% to 20% in the immunocompromised population. Cidara recently started enrolling a Phase 3 trial in adults over age 65

and in people over the age of 12 with high risk co-morbidities or immune compromised status. The company’s addressable market consists of more than 100 million people in the U.S. Management also believes the cost of manufacturing the drug will enable the company to achieve an attractive gross margin.

We added to the position in **Thermo Fisher Scientific Inc.**, a life sciences tools company that offers instruments and consumables for research, tools for bioproduction, specialty diagnostics, and contract research and manufacturing services. During the quarter, management provided a reasonable framework for thinking about how the business could grow over the next few years. Management thinks end markets will gradually build from the lower growth environment that the company has been navigating, leading to a 2026 and 2027 scenario where the company will deliver 3% to 6% organic revenue growth. In that scenario, through strong cost management, management believes the company can deliver mid-to-high single-digit adjusted operating income growth, and with capital deployment, even better earnings growth. Beyond 2027, given the positive long-term drivers of the life sciences tools industry, management believes the company can deliver 7%-plus organic revenue growth. We think Thermo Fisher is a competitively advantaged business trading at a reasonable valuation with growth expected to accelerate after a challenging multi-year period.

#### Top net sales for the quarter

	Net Amount Sold (\$M)
argenx SE	6.3
Eli Lilly and Company	5.5
Waters Corporation	4.2
The Cooper Companies, Inc.	3.7
Masimo Corporation	1.9

We reduced the position in **argenx SE** and **Eli Lilly and Company** to manage risk as their relative position sizes increased from outflows and share price appreciation, though we retain conviction in both investments and continue to hold large absolute positions in both. We sold **Waters Corporation** for the reasons discussed earlier. We sold **The Cooper Companies, Inc.** because growth continued to decelerate in both segments of the business. We reduced the position in **Masimo Corporation**. Although the backlog remains strong and we retain conviction in the long-term outlook, we opted to manage risk in light of a potential growth slowdown presaged by the decline in incremental contract value.



## Outlook

On September 30, Pfizer Inc. announced an agreement with the Trump Administration in which the company agreed to offer most-favored-nation (MFN) pricing to Medicaid participants, offer MFN pricing for new drug launches, provide direct-to-consumer (DTC) access to drugs at discounted prices through a new TrumpRx website, and invest \$70 billion in U.S. manufacturing and R&D in exchange for three years of tariff relief. The agreement with Pfizer likely serves as a blueprint for future deals between the Trump Administration and the other industry players. The market responded positively to the announcement. Pharmaceutical stocks and life sciences tools stocks rose sharply in the days following the announcement because investors concluded that the financial impact to the sector will be limited and manageable. This is because Medicaid net prices are already close to MFN prices (and for many companies Medicaid represents a small percentage of sales); for new drug launches, the industry is likely to raise ex-U.S. prices versus lowering their U.S. prices; and several companies have already started DTC sales at close to net prices anyway. In addition, many pharmaceutical companies have already announced billions of dollars of new investments in the U.S., which puts them in position to be exempt from tariffs.

In addition to the MFN announcement at the end of September, the third quarter saw several positive biotechnology clinical data readouts, a strong rebound in biotechnology funding, and an acceleration in M&A activity.

We remain optimistic about the long-term outlook for health care given several favorable secular growth drivers, including the aging population, rising chronic diseases (diabetes, obesity, and heart disease), advances in biotechnology, medical technology, and diagnostics, and increased health care spending.

We continue to follow our process for identifying investment opportunities and creating a portfolio of competitively advantaged growth companies with strong management teams. Thank you for investing in the Fund. I remain an investor in the Fund, alongside you.

Sincerely,



Neal Kaufman  
Portfolio Manager

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

<sup>1</sup> The **Russell 3000® Health Care Index** is an unmanaged index representative of companies involved in medical services or health care in the Russell 3000 Index, which is comprised of the 3,000 largest U.S. companies as determined by total market capitalization. The **Russell 3000® Index** measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market, as of the most recent reconstitution. All rights in the FTSE Russell Index (the "Index") vest in the relevant LSE Group company which owns the Index. Russell® is a trademark of the relevant LSE Group company and is used by any other LSE Group company under license. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. The Fund includes reinvestment of dividends, net of withholding taxes, while the Russell 3000® Health Care and Russell 3000® Indexes include reinvestment of dividends before taxes. Reinvestment of dividends positively impacts the performance results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly in an index.

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

<sup>3</sup> Not annualized.

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

**Risks:** In addition to general market conditions, the value of the Fund will be affected by investments in health care companies which are subject to a number of risks, including the adverse impact of legislative actions and government regulations. The Fund is non-diversified, which means it may have a greater percentage of its assets in a single issuer than a diversified fund. The Fund invests in small and medium sized companies whose securities may be thinly traded and more difficult to sell during market downturns.

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

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

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

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



QUARTERLY LETTER | SEPTEMBER 30, 2025

# Baron Real Estate Fund®

Retail Shares: BREFX | Institutional Shares: BREIX | R6 Shares: BREUX



Jeff Kolitch  
Portfolio Manager

Dear Baron Real Estate Fund Shareholder,

## Performance

Baron Real Estate Fund (the Fund) delivered strong results in the third quarter. The Fund increased 10.25% (Institutional Shares), outperforming the MSCI US REIT Index (the REIT Index), which increased 4.49%, and the MSCI USA IMI Extended Real Estate Index (the MSCI Real Estate Index), which rose 5.65%.

We are very pleased to report that the Fund's performance over every multi-year period remains exceptionally strong, especially when compared to the REIT Index and peers in the Morningstar Real Estate Category. As of September 30, 2025, according to Morningstar, the Fund's achievements are as follows:

- **#1 real estate fund** ranking for both its 15- and 10-year performance periods, as well as since inception
- **Top 1% ranking** for its 3-year performance period and top 6% ranking for its 5-year performance period
- **Highest 5-Star Morningstar Rating™** for each of its 10-, 5-, and 3-year performance periods
- **Highest 5-Star Overall Morningstar Rating™**

## Annualized performance (%) for period ended September 30, 2025

	Fund Retail Shares <sup>1,2</sup>	Fund Institutional Shares <sup>1,2</sup>	MSCI USA IMI Extended Real Estate Index <sup>1</sup>	MSCI US REIT Index <sup>1</sup>	S&P 500 Index <sup>1</sup>
QTD <sup>3</sup>	10.20	10.25	5.65	4.49	8.12
YTD <sup>3</sup>	6.40	6.59	8.63	3.75	14.83
1 Year	3.15	3.42	3.54	(2.88)	17.60
3 Years	16.45	16.75	17.89	9.51	24.94
5 Years	8.99	9.27	11.58	8.04	16.47
10 Years	11.13	11.41	9.92	5.31	15.30
15 Years	13.02	13.30	10.93	7.07	14.64
Since Inception (12/31/2009)	13.16	13.44	11.20	7.88	14.18
Since Inception (12/31/2009) (Cumulative) <sup>3</sup>	600.72	629.18	432.44	230.35	706.90

As of 9/30/2025, the Morningstar Real Estate Category consisted of 218, 210, 193, 151, 113, and 157 share classes for the 1-, 3-, 5-, 10-, 15-year, and since inception (12/31/2009) periods. Morningstar ranked Baron Real Estate Fund Institutional Share Class in the 4<sup>th</sup>, 1<sup>st</sup>, 6<sup>th</sup>, 1<sup>st</sup>, 1<sup>st</sup>, and 1<sup>st</sup> percentiles, respectively. On an absolute basis, Morningstar ranked Baron Real Estate Fund Institutional Share Class as the 7<sup>th</sup>, 2<sup>nd</sup>, 10<sup>th</sup>, 1<sup>st</sup>, 1<sup>st</sup>, and 1<sup>st</sup> best performing share class in its Category, for the 1-, 3-, 5-, 10-, 15-year, and since inception periods, respectively.

Since inception rankings include all share classes of funds in the Morningstar Real Estate Category. Performance for all share classes date back to the inception date of the oldest share class of each fund based on Morningstar's performance calculation methodology.

Morningstar calculates the Morningstar Real Estate Category Average performance and rankings using its Fractional Weighting methodology. Morningstar rankings are based on total returns and do not include sales charges. Total returns do account for management, administrative, and 12b-1 fees and other costs automatically deducted from fund assets.

Baron Real Estate Fund Institutional Share Class was rated 5 stars overall, 5 stars for the trailing 3 years, 4 stars for the trailing 5 years, and 5 stars for the trailing 10 years ended 9/30/2025. There were 210 share classes, 193 share classes, and 151 share classes for the 3-, 5-, and 10-year periods. The Morningstar Ratings™ are for the Institutional share class only; other classes may have different performance characteristics. The Morningstar Ratings are based on the Morningstar Risk-Adjusted Return measures.

Performance listed in the above table is net of annual operating expenses. Annual expense ratio for the Retail Shares and Institutional Shares as of April 30, 2025 was 1.31% and 1.05%, respectively. The performance data quoted represents past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original cost. The Adviser may waive or reimburse certain Fund expenses pursuant to a contract expiring on August 29, 2036, 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](http://BaronCapitalGroup.com) or call 1-800-99-BARON.

Since inception on December 31, 2009 through September 30, 2025, the Fund's cumulative return of 629% was more than two and a half times that of the REIT Index, which increased 230%, and significantly higher than the MSCI Real Estate Index, which increased 432%.

## We will address the following topics in this letter:

- Our current top-of-mind thoughts
- Portfolio composition and key investment themes
- Top contributors and detractors to performance
- Recent activity
- Concluding thoughts on the prospects for real estate and the Fund

## Our Current Top-of-Mind Thoughts

### We remain optimistic about the prospects for public real estate and the Baron Real Estate Fund.

*Our diligence leads us to believe that, over the next few years, improving real estate business fundamentals and values will contribute to attractive returns for the Fund.*

Additional thoughts that support our constructive outlook are as follows:

#### 1. We are encouraged by bullish comments from executives of leading real estate companies

We believe recent positive comments from the executives of several leading real estate companies bode well for an improvement in real estate fundamentals and share price performance. A few examples from companies owned in the Fund include the following:

**Jon Gray – President and Chief Operating Officer of Blackstone Inc., July 24, 2025**

- “We know the path of travel (for real estate)...So I'd say our confidence on the ultimate outcome (is) high, and we're getting closer and closer to that tipping point where real estate will start to move.”

**Hamid Moghadam, Co-Founder, Chairman and Chief Executive Officer of Prologis, Inc., October 15, 2025**

- “Our record leasing this quarter underscores the strength and resilience of our platform. With a solid pipeline, improving customer sentiment and limited new supply, the logistics market is setting up for the next inflection in rent and occupancy growth – one of the most compelling setups I've seen in 40 years.”

**Bob Sulentic, Chair and Chief Executive Officer of CBRE Group, Inc., July 29, 2025**

- “We expect to set a new earnings peak this year just two years after the 2023 trough in the commercial real estate downturn, even though capital markets activity remains well below prior peak levels....Just staying on the path we're on now, it's growing, and we expect it to grow next year.”

**Doug Yearley, Jr., Chairman and Chief Executive Officer of Toll Brothers, Inc., August 20, 2025**

- “I think the economy is starting to heal. I think the buyers are beginning to come back out. I think rates dropping a little bit, it's more psychological for our client than it is affordability-wise, because we have more (of) a luxury client that can afford our homes...I'm certainly feeling better than I was a few months ago.”

**Chris Nascetta – President and Chief Executive Office of Hilton Worldwide Holdings Inc., July 23, 2025**

- “Overall, we feel good about where we are and are very optimistic about the business. We have the best brands in the industry with more coming, the biggest development pipeline in our history, and the economy in our largest market (U.S.) is set up for better growth, all of which should continue to drive strong performance.”

**Andy Florance, Founder and Chief Executive Officer of CoStar Group, Inc., July 22, 2025**

- “We're seeing strong performance across all our business segments, driven by strategic investments in expanding our sales force and innovative product development.”

#### 2. We agree with Blackstone that real estate is at a pivotal moment in the cycle

In a recent piece titled “*Evolving to Outperform*,” written by Nadeem Meghji, global co-head of Blackstone Real Estate, Nadeem's comments are consistent with the views we expressed in our June 30, 2025, shareholder letter:

“Today, we find ourselves at a pivotal moment in the cycle. Values have reset lower, new supply in sectors like apartments and warehouses are at 10-year lows and the (real estate) recovery has only just started.”

“Now is a great time to acquire high-quality hard assets at a discount to physical replacement cost.”

#### 3. We continue to believe the investment case for real estate is compelling

We are cognizant that the backdrop in real estate has been difficult the last few years in part due to concerns about the impacts from higher interest rates, refinancing headwinds, COVID-hangover effects, and possible bank failures. At this stage, however, we believe real estate is at an important positive inflection point.

- A large portion of the real estate concerns are “old news,” some of which are exaggerated and hyperbole, and have resulted in an unusually appealing opportunity to invest in public real estate at attractive valuations.
- Demand conditions are mostly favorable. Cyclical growth opportunities for well-located real estate and secular real estate tailwinds (e-commerce for industrial real estate, affordability advantages for residential-related rental companies, aging baby boomers for senior housing, increased spending on travel for hotels and leisure businesses, and rising data consumption and AI for data centers) are underappreciated in our opinion.

- Competitive supply has collapsed for much of real estate. The competitive supply outlook is broadly benign due to modest new construction over the last three years and limited new supply forecasted for the next three years. The higher costs for land, labor, and construction materials combined with elevated borrowing costs for developers have served as constraints on new competitive construction. In many cases, it is more economical to buy assets today that often trade at discounts to replacement cost rather than to build at current cost levels.
- Balance sheets are generally in solid shape and use significantly less leverage than the private market.
- Debt capital is widely available, and credit spreads have compressed for high-quality borrowers.
- Substantial capital (private equity, sovereign wealth funds, pension funds, and others) is in pursuit of real estate ownership. We believe private capital may step in and capitalize on the opportunity to buy quality public real estate at depressed prices. This “embedded put” should limit downside valuation and pricing.
- Much of public real estate has been repriced for a higher cost of capital and many real estate valuations are compelling.

#### 4. We continue to identify compelling opportunities in each of the Fund’s high-conviction investment themes

The Fund’s key investment themes remain the following:

- REITs  
Demand > supply + solid balance sheets + growing dividends + inflation-protection characteristics + attractive valuations
- Residential-related real estate (homebuilders, home centers, and building products/services companies)  
Structural underinvestment in housing relative to demographic needs + cyclical tailwinds (pent-up demand) + secular tailwinds (flexible work and relocation to suburbs + aging existing home stock + lock-in effect = below market mortgage rates for most existing homes that benefit new home sale prospects)
- Travel-related real estate (casinos & gaming operators and hotels & leisure companies)  
Increasing wallet share for travel over durable goods + delays in marriage lead to more disposable income for travel + flexible work arrangements allow for more travel + cyclically depressed business activity + compelling valuations
- Commercial real estate services companies  
Oligopolistic industry + highly fragmented industry (customers prefer companies that can provide the full suite of services) + outsourcing of commercial real estate + institutionalization of real estate
- Real estate-focused alternative asset managers  
Secular growth opportunity given desire for alternative assets + market share gain opportunity for global and multi-service asset managers
- Property technology companies  
Intersection of real estate and technology

Please see “Portfolio Composition and Key Investment Themes” later in this letter for additional thoughts on the Fund’s investment themes.

#### 5. We believe the Baron Real Estate Fund is a compelling mutual fund option

We believe the benefits of the Fund’s flexible approach, which allow us to invest in a broad array of real estate companies, including REITs and non-REIT real estate-related companies, will shine even brighter in the years ahead, in part due to the rapidly changing real estate landscape which, in our opinion, requires more discerning analysis.

#### Portfolio Composition and Key Investment Themes

We currently have investments in REITs, plus eight additional non-REIT real estate-related categories. Our percentage allocations to these categories vary, and they are based on our research and assessment of opportunities in each category on a bottom-up basis, which we outline below.

##### Fund investments in real estate-related categories

	Percent of Net Assets (%)
REITs	27.2
Non-REITs	71.0
Building Products/Services	19.6
Real Estate Service Companies	14.8
Real Estate Operating Companies	10.9
Homebuilders & Land Developers	9.6
Hotels & Leisure	6.9
Casinos & Gaming Operators	6.2
Data Centers	2.8
Infrastructure Related	0.2
Cash and Cash Equivalents	1.8
Total	100.0*

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

#### Investment Themes

We continue to prioritize six long-term high-conviction investment themes or real estate categories:

1. REITs
2. Residential-related real estate
3. Travel-related real estate
4. Commercial real estate services companies
5. Real estate-focused alternative asset managers
6. Property technology companies



## REITs

Though demand remains tempered for some real estate segments, most REITs enjoy occupancies of more than 90%, and there are several segments of real estate where demand remains strong. Limited new competitive supply is forecasted in the next few years. We expect the transaction market to pick up and several publicly traded REITs now have the “green light” to issue equity for accretive external growth. We expect private equity to look for opportunities to acquire discounted public REITs. Most balance sheets are in good shape. Several REITs benefit from some combination of all or some of the following favorable characteristics: inflation protection, contracted cash flows, and an ability to increase dividends. We have identified several REITs that are cheap relative to history and private market valuations. We believe several REITs can generate double-digit returns through a combination of growth, dividends, and some room for valuations to expand.

As of September 30, 2025, we had investments in 10 REIT categories representing 27.2% of the Fund’s net assets.

### REITs

	Percent of Net Assets (%)
Health Care REITs	5.3
Data Center REITs	4.8
Office REITs	3.5
Industrial REITs	3.3
Wireless Tower REITs	3.2
Mall REITs	2.8
Other REITs	1.2
Multi-Family REITs	1.1
Single-Family Rental REITs	1.0
Mortgage REITs	1.0
<b>Total</b>	<b>27.2*</b>

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

## Residential-related real estate

We have remained near-term cautious yet remain long-term bullish on the prospects for non-REIT residential-related real estate.

A prolonged slowdown in the growth of housing supply since the 2007 to 2009 Great Recession and sharp increases in home prices and mortgage rates have weighed on housing affordability. In a September 30, 2025, report by *Goldman Sachs – The State of Housing (Un)Affordability in the U.S.* - Goldman estimates that fixing the housing shortage and restoring affordability would require approximately 3 to 4 million additional homes.

Additional reasons for our near-term caution include: (i) a slowdown in demand from elevated mortgage rates and elevated consumer uncertainty; (ii) the supply of new homes has crept up because the construction of some homes was started speculatively; (iii) homebuilder pricing and gross margins have been pressured because homebuilders have been using incentives to reduce mortgage rates that buyers must pay; and, (iv) repair

and remodel activity has remained lackluster because people are delaying their moving decisions and have ongoing concerns about the economic outlook.

The Trump administration is aware of the U.S. housing affordability issue. According to Treasury Secretary Scott Bessent, “We may declare a national housing emergency in the fall.” He has suggested that the administration is looking at ways to standardize building and zoning codes (to encourage more housing supply) and trim (housing) closing costs.

*Our preliminary view is that improving the production of homes (a supply-side focus) is not the primary problem. Conversely, policies aimed at reducing mortgage rates, currently 0.50% higher than pre-pandemic levels (a demand-side focus) would be more effective at stimulating demand for homes, both new and existing homes.*

Importantly, we maintain our long-term optimism for residential real estate. A multi-decade structural underinvestment in the construction of residential real estate relative to the demographic needs of our country bodes well for long-term housing construction activity, sales, rentals, pricing, and repair and remodel activity. A combination of cyclical and secular tailwinds should aid the new home market for several years. Cyclical tailwinds include pent-up demand, low inventory levels, and a still healthy consumer. Secular tailwinds include flexible work arrangements that favor suburban living, a desire to own newly built homes rather than existing homes which, on average, are more than 40 years old, and the lock-in effect for existing homeowners to remain in their homes due to the move higher in mortgage rates. The strategic pivot by several homebuilders to a more land-light business model, the utilization of lower leverage, improved capital allocation, and the prioritization of scale advantages may lead to higher valuations for homebuilders over time.

As of September 30, 2025, residential-related real estate companies represented 29.1% of the Fund’s net assets.

## Residential-related real estate companies

	Percent of Net Assets (%)
Building Products/Services	17.2
Homebuilders	8.7
Home Centers	3.3
<b>Total</b>	<b>29.1*</b>

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

## Travel-related real estate

Though recent travel trends may have moderated, we continue to believe that several factors are likely to contribute to multi-year tailwinds for travel-related real estate companies including a favorable shift in consumer preferences (demand for experiences/services such as travel over goods), a growing middle class, and other encouraging demographic trends (more disposable income for the millennial cohort due to delays in household formation and work-from-home arrangements which allow for an increase in travel bookings). In addition, private equity’s long history of

investing in travel-related companies may serve as a catalyst to surface value, which the public market may be overly discounting.

As of September 30, 2025, travel-related real estate companies represented 13.1% of the Fund's net assets.

#### Travel-related real estate companies

	Percent of Net Assets (%)
Hotels & Leisure	6.9
Casinos & Gaming Operators	6.2
<b>Total</b>	<b>13.1*</b>

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

#### Commercial real estate services companies

Leading commercial real estate services companies **CBRE Group, Inc.** (CBRE) and **Jones Lang LaSalle Incorporated** (JLL) should continue to benefit from structural and secular tailwinds: the outsourcing of commercial real estate, the institutionalization of commercial real estate, and opportunities to increase market share in a highly fragmented market. Looking forward, we believe we are in the early days of a rebound in commercial real estate sales and leasing activity. We believe CBRE and JLL may generate annual earnings per share growth of more than 20% in the next few years.

#### Real estate-focused alternative asset managers

Leading real estate-focused asset managers **Blackstone Inc.** and **Brookfield Corporation** have an opportunity to increase market share of a growing pie due to impressive investment track records and global scale advantages. They are positioned to benefit from a secular growth opportunity for alternative assets due to track records of generating attractive relative and absolute returns with what is perceived, in some cases, as less volatility than several other investment options.

#### Property technology companies

The collision of real estate and technology has led to a new category within real estate—real estate technology, also referred to as *proptech*. The emergence of proptech and the digitization of real estate is an exciting and promising new development for real estate. We believe we are in the early innings of a technology-driven investment cycle centered on data and digitization that allows real estate-related businesses to drive incremental revenue streams and lower costs.

**CoStar Group, Inc.**, the leading provider of information, analytics, and marketing services to the real estate industry, is positioned to capitalize on this burgeoning secular growth trend.

#### Data center operators

We believe the shares of data center operator **GDS Holdings Limited** remain attractively valued and offer compelling long-term growth prospects.

As of September 30, 2025, other real estate-related companies (which include the four investment themes mentioned directly above plus modest exposure to infrastructure related via a stub position in **Legence Corp.**) represented 28.7% of the Fund's net assets.

#### Other real estate-related real estate companies

	Percent of Net Assets (%)
Commercial Real Estate Services Companies	11.8
Real Estate-Focused Alternative Asset Managers	10.9
Property Technology Companies	3.1
Data Center Operators	2.8
Infrastructure Related Companies	0.2
<b>Total</b>	<b>28.7*</b>

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

### Top Contributors and Detractors

#### Top contributors to performance for the quarter

	Quarter End Market Cap (\$B)	Contribution to Return (%)
Wynn Resorts, Limited	13.3	1.20
Jones Lang LaSalle Incorporated	14.1	0.96
CRH public limited company	80.5	0.95
Toll Brothers, Inc.	13.3	0.92
Welltower Inc.	119.1	0.82

Since the beginning of 2025, we have noted that the shares of **Wynn Resorts, Limited**, the pre-eminent luxury global owner and operator of integrated resorts (hotels and casino resorts), were, in our opinion, too cheap. In the most recent quarter, Wynn's shares increased 37.3% following strong second quarter results and better-than-expected performance in both Macau and Las Vegas.

Wynn has developed "best-in-class" real estate assets in Las Vegas (Wynn and Encore), Boston (Encore Boston Harbor), and Macau (Wynn Macau and Wynn Palace). The company continues to invest in its hotel and casino assets to maintain its lead in each market.

Despite its strong year-to-date share price performance, we continue to believe that at its recent price of \$116 per share, Wynn's shares are attractively valued at only 9.3 times 2026 estimated cash flow or on a sum-of-the-parts valuation basis.

In December, management will be hosting a multiple day investor event in the United Arab Emirates (UAE) to view and discuss the prospects for its newest development - the Wynn Al Marjan Island which is expected to open early in 2027. We believe the UAE is the most exciting new market for integrated resort developments in decades. We believe the project could be worth \$25 per share in today's dollars and do not believe this new development is reflected in Wynn's current share price.

We also anticipate a further recovery in Macau and the beginning of an improvement in Las Vegas Strip sentiment in the year ahead. Importantly, we believe Wynn’s higher-end consumer position in Las Vegas, which leads to relative pricing power, should continue to somewhat isolate the company versus several of its peers.

Leading commercial real estate service company **Jones Lang LaSalle Incorporated** (JLL) contributed positively to performance during the third quarter, aided by the company’s strong second quarter financial report, coupled with broad-based strength across its business. We expect JLL to continue benefiting from structural and secular tailwinds: the outsourcing of commercial real estate, the institutionalization of commercial real estate, and opportunities to increase market share in a highly fragmented market.

Looking forward, we continue to believe we are in the early days of a rebound in commercial real estate sales and leasing activity. We believe JLL may generate annual earnings per share growth of mid- to high teens in the next few years, and the company is currently valued at a discounted multiple of less than 15 times our estimate for next year’s earnings versus 17 to 18 times during prior early cycle periods.

The shares of **CRH public limited company** performed well in the most recent quarter following strong quarterly results and the company’s well-received Investor Day. CRH is the largest supplier of building materials such as aggregates, cement, asphalt, and concrete in North America and Europe. Its products are used for housing, infrastructure, and commercial projects. In contrast to many construction materials companies that only focus on selling higher-margin upstream materials (i.e. aggregates and cement), CRH also sells downstream materials such as asphalt and concrete, provides paving services for road and highway construction, and produces water infrastructure and outdoor living products. This vertically integrated approach is designed to maximize the returns CRH generates on its raw material reserves by not only profiting from sales of upstream materials, but by also making money on other related product offerings that use those materials as key inputs.

We continue to be excited about the longer-term growth prospects for CRH. During the company’s September 30 Investor Day, management outlined a double-digit annual earnings growth framework through 2030, which we found to be credible. We believe that CRH’s vertically integrated approach opens multiple organic and inorganic growth avenues and provides ample opportunities for business improvement and margin expansion, all of which can result in robust earnings growth. Additionally, while CRH’s valuation multiple has moved higher, we continue to believe that the current multiple does not fully reflect the quality and consistency of the business and would expect CRH’s valuation to continue to re-rate higher as U.S. investors further their education on the merits and attractive growth profile of its business.

Top detractors from performance for the quarter

	Quarter End Market Cap (\$B)	Contribution to Return (%)
American Tower Corporation	90.1	(0.46)
Airbnb, Inc.	75.5	(0.17)
Floor & Decor Holdings, Inc.	7.9	(0.10)
American Homes 4 Rent	12.3	(0.08)
Hilton Worldwide Holdings Inc.	61.0	(0.06)

After robust performance in the first six months of the year, shares of **American Tower Corporation**, a global REIT owner of 150,000 wireless tower communication sites with a heavy emphasis on developed markets, pulled back during the third quarter and lagged REITs broadly. Underperformance was driven by a slight delay in U.S. billings from 2025 to 2026 along with investor concerns about the contractual commitments of a small customer (DISH) and associated potential churn impacts after EchoStar Corporation divested its U.S. spectrum licenses.

While we acknowledge the market’s concerns, we believe American Tower’s shares remain attractively valued on an absolute basis and relative to other data infrastructure companies and most REITs. Further, the company’s business is underpinned by the continued secular growth in mobile data, bookings activity which is improving, and we believe the company will be able to deliver consistent mid- to upper single-digit underlying per share organic earnings growth with optionality around capital allocation levers such as share repurchases and acquisitions on top of a growing 3.5% current dividend yield.

The shares of **Airbnb, Inc.**, the largest technology-enabled hospitality platform in the world with 8 million listings and 5 million hosts across 220 countries and 100,000 cities, detracted from performance in the most recent quarter despite reporting robust second quarter results. Market concerns centered around expectations for a sequential growth deceleration in the third quarter due to tougher year-over-year growth comparisons, broader leisure travel trends in an uncertain economic environment, and the company’s upcoming guidance regarding potential incremental investments and their possible negative impact on cash flow margins in 2026.

As a reminder, we initiated a position in the second quarter at an attractive cost basis where we took advantage of the indiscriminate sell-off in April to buy a high-quality company that was on sale. We remain optimistic regarding the multi-year prospects for Airbnb due to: i) its leading share in alternative accommodations and scale driving strong brand awareness and repeat bookings; ii) the company’s 90% direct traffic allowing for lower customer acquisition costs; iii) its strong value proposition to both guests and hosts leading to differentiated listings and exclusive inventory; iv) the company’s unique two-sided market place of user reviews curating an ecosystem of trust between guests and hosts; and v) Airbnb’s imbedded free call options with the company’s recently launched Experiences, Services, and other incremental products to be introduced in the coming years (e.g. longer-term stay apartments, host services, partnerships).

During the quarter we initiated a position in **Floor & Decor Holdings, Inc.** following a sharp correction in its share price. Please see “Top net purchases for the quarter” for our discussion about the company.

## Recent Activity

### Top net purchases for the quarter

	Quarter End Market Cap (\$B)	Net Amount Purchased (\$M)
Iron Mountain Incorporated	30.1	27.1
AAON, Inc.	7.6	25.2
Floor & Decor Holdings, Inc.	7.9	19.3
Blackstone Inc.	211.0	5.2
Vulcan Materials Company	40.6	4.7

In the third quarter, we initiated a new REIT position in **Iron Mountain Incorporated**, as its shares offered a compelling valuation level combined with attractive long-term growth prospects. Iron Mountain offers record storage management along with an evolving fast-growing data center segment.

We have continued to meet with CEO Bill Meany and CFO Barry Hytinen and remain encouraged by the company’s prospects to increase overall cash flow per share by approximately 10% over the next several years, far more than our growth expectations for most other REITs. The company’s strong growth outlook is underpinned by predictable and stable growth in its core records management business, while outsized growth is driven by its data center business which has visibility to more than the triple operational capacity from today’s in-place base. Further, the company’s asset life cycle management business continues to grow at more than 20% year-over-year with opportunities to further consolidate the fragmented market.

Following a 40% decline from its peak share price earlier in 2025, we began purchasing shares of **AAON, Inc.**, a differentiated, best-in-class provider of premium HVAC products, targeting the North American light commercial market, and data center cooling solutions through its BASX subsidiary. We believe the sharp decline in AAON’s share price was caused by an overreaction to the company’s Investor Day guidance and a temporary hiccup due to a new Enterprise Resource Planning implementation in the second quarter.

AAON’s core HVAC business (around 80% of 2024 sales) is a leader in providing premium, semi-custom HVAC equipment with products that are more energy efficient, have longer life spans, and overall are better customized than peers to fit customer’s needs. This has driven significant outperformance over the past decade with organic growth in the high single-digit to low double-digit range versus low-mid single digits for peers. BASX (20% of 2024 sales) has distinguished itself with its ability to customize specific cooling solutions for hyperscalers and the most demanding customers that are more durable and energy efficient, very similar to the promise of the core AAON HVAC solution set. Over the next few years, we expect BASX to grow over 40% annually and by 2027,

BASX may reach nearly 40% of AAON’s total revenue. AAON has already shown progress improving its recent production rates and given the significant demand ahead for its products has line of sight to continued market share gains across both segments for the foreseeable future.

Following a sharp decline in its shares in the first six months of 2025, we began acquiring shares of **Floor & Decor Holdings, Inc.**, a specialty retailer and commercial flooring distributor of hard-surface flooring (tile, vinyl, wood, stone, and laminate) and accessories.

We are excited about the medium-term prospects for Floor & Decor for several reasons:

1. Competitively advantaged company. Customers prefer the company’s “everyday low pricing” and unmatched breadth of inventory in-stock. “Everyday low pricing” stems from the company’s direct overseas sourcing model, which leads to a low-cost advantage relative to peers, which gets passed through to customers. Unmatched breadth of inventory stems from the company’s large format stores (78,000 square feet), which can carry 4,000 stock-keeping units (SKUs), which is three to four times the typical home improvement store.
2. Dimensional growth drivers.
  - **U.S. remodel activity is at cyclical depressed levels.** Floor & Decor should benefit from any pickup in U.S. remodel activity, which has been depressed for several years amidst a challenging U.S. housing market and cautious consumer. Historically, the hard surface flooring market has grown faster than the underlying flooring market.
  - **Pricing power.** Floor & Decor has historically demonstrated ample pricing power to offset cost inflation.
  - **Accessory product sales.** The company has an opportunity to cross-sell additional remodel products within its existing store footprint.
  - **New store openings.** The company presently has 257 store locations across the U.S. and plans to nearly double its footprint to 500 stores by 2032.
  - **Margin expansion.** Management expects EBITDA margins can eventually stabilize in the 15% to 17% range versus 11% presently.
  - **Commercial push.** With its 2021 acquisition of Spartan Surfaces serving as a platform for future growth (organic growth and acquisitions), management believes the commercial business could eventually scale to \$1.5 billion of sales, versus approximately \$250 million of current commercial sales and \$4.5 billion of current total company sales.
3. Potential for 20% to 30%+ annual earnings per share growth over the next several years.

Management believes that, as the remodel and flooring markets begin to recover, combined with other growth drivers outlined above, the company can revert to its historical average annual earnings per share growth rate of 20% to 30% or higher. Over the long term, we see potential for the company to generate over \$4.50 of earnings per share versus \$1.80 this year.



## 4. Attractive valuation.

We view valuation as attractive, with its shares trading at close to a trough multiple on cyclically depressed earnings.

While we recognize that uncertain business conditions could continue to pose headwinds to company performance in the near term, we are excited about the company's outsized medium-term growth prospects. We see potential for significant share price appreciation in the coming years, driven by rapid growth and an improvement in the company's valuation multiple.

### Top net sales for the quarter

	Quarter End Market Cap or Market Cap When Sold (\$B)	Net Amount Sold (\$M)
CoStar Group, Inc.	35.7	14.1
Independence Realty Trust, Inc.	3.8	12.5
Vornado Realty Trust	7.8	8.5
Welltower Inc.	119.1	8.2
Installed Building Products, Inc.	6.7	6.1

Following strong share price performance since acquiring shares in **CoStar Group, Inc.** and **Vornado Realty Trust**, we modestly trimmed the Fund's positions in both companies. We remain optimistic, however, about the long-term prospects for CoStar and Vornado, and continue to maintain ownership positions in each company.

We exited the Fund's position in apartment REIT **Independence Realty Trust, Inc.** and reallocated the capital to companies that we believe offer more attractive multi-year shareholder return prospects.

## Concluding Thoughts on the Prospects for Real Estate and the Fund

Some clients have inquired if there is a catalyst that will spark further improvement in real estate business fundamentals and share price performance.

It is not clear to us that there is a single event or catalyst that will "flash green" for public real estate. Instead, **we believe there are several positive factors that may spur an acceleration in growth and reignite interest in public real estate.**

Real estate business conditions are mostly steady with signs of improvement. We do not believe that competitive new supply will be a headwind for most real estate in the next few years. This favorable organic dynamic of demand exceeding supply may lead to better-than-expected growth in cash flows and share price returns.

Real estate credit markets are as strong as we have seen. They are deep and liquid and credit spreads continue to compress.

Though we do not forecast interest rates, the Federal Reserve's September interest cut may be the beginning of an easing cycle with further interest rate cuts in the year ahead. Historically, there

have been several benefits from Federal Reserve interest rate cuts including an improvement in asset prices, a boost to CEO and business confidence, higher business activity which could lead to more hiring, a possible reduction in mortgage rates, and an improvement in the relative appeal of stocks versus cash.

We are mindful, however, that excessive government deficits could lead to higher long-end interest rates and are monitoring this closely. *Our research prioritization, however, continues to be on identifying competitively advantaged real estate companies that we believe can generate strong cash flow growth. We have structured the Fund's holdings to fit this desired profile. Should long-term interest rates decline, that would only enhance shareholder returns.*

As we begin to prepare for and peer into 2026, **we believe we are approaching a pivotal and encouraging moment for real estate and the Baron Real Estate Fund.** We believe business fundamentals will exceed expectations and deliver solid growth in the next few years. Solid growth could result in an expansion in real estate values. The desired building blocks of total shareholder return (growth + dividends + an improvement in valuation through lower capitalization rates or higher cash flow multiples) may collectively emerge. If so, total shareholder returns for the Fund should be compelling.

### Top 10 holdings

	Quarter End Market Cap (\$B)	Quarter End Investment Value (\$M)	Percentage of Net Assets (%)
Jones Lang LaSalle Incorporated	14.1	152.2	6.4
Brookfield Corporation	112.9	127.6	5.4
CBRE Group, Inc.	46.9	126.0	5.3
Welltower Inc.	119.1	125.9	5.3
Toll Brothers, Inc.	13.3	111.9	4.7
Wynn Resorts, Limited	13.3	96.4	4.1
CRH public limited company	80.5	88.9	3.8
Blackstone Inc.	211.0	80.1	3.4
Equinix, Inc.	76.7	76.3	3.2
American Tower Corporation	90.1	74.9	3.2

A big thank you to our core real estate team – assistant portfolio manager, David Kirshenbaum, and George Taras, David Berk, and David Baron – for their amazing work ethic. Our team remains focused, energized, and highly driven to deliver strong results for you, our shareholders, over the long term.

I proudly remain a major shareholder of the Baron Real Estate Fund.

Sincerely,



Jeffrey Kolitch  
Portfolio Manager

<sup>1</sup> The **MSCI USA IMI Extended Real Estate Index Net (USD)** is a custom index calculated by MSCI for, and as requested by, BAMCO, Inc. The index includes real estate and real estate-related GICS classification securities. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed or produced by MSCI. The **MSCI US REIT Index Net (USD)** is designed to measure the performance of all equity REITs in the U.S. equity market, except for specialty equity REITs that do not generate a majority of their revenue and income from real estate rental and leasing operations. The **S&P 500 Index** measures the performance of 500 widely held large-cap U.S. companies. MSCI is the source and owner of the trademarks, service marks and copyrights related to the MSCI Indexes. The MSCI Indexes and the Fund include reinvestment of dividends, net of foreign withholding taxes, while the S&P 500 Index includes reinvestment of dividends before taxes. Reinvestment of dividends positively impacts performance results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly in an index.

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

<sup>3</sup> Not annualized.

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

**Risks:** In addition to general market conditions, the value of the Fund will be affected by the strength of the real estate markets as well as by interest rate fluctuations, credit risk, environmental issues and economic conditions. The Fund invests in companies of all sizes, including small and medium sized companies whose securities may be thinly traded and more difficult to sell during market downturns.

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

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

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

**The Morningstar Rating™** for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

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

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QUARTERLY LETTER | SEPTEMBER 30, 2025

# Baron Real Estate Income Fund®

Retail Shares: BRIFX | Institutional Shares: BRIIX | R6 Shares: BRIUX



Jeff Kolitch  
Portfolio Manager

## Dear Baron Real Estate Income Fund Shareholder,

### Performance

Baron Real Estate Income Fund (the Fund) increased 5.43% (Institutional Shares) in the third quarter of 2025, outperforming the MSCI US REIT Index (the REIT Index), which increased 4.49%.

Since inception on December 29, 2017 through September 30, 2025, the Fund's cumulative return of 97.17% was more than double that of the REIT Index, which increased 41.54%.

We are pleased to report that the Fund's performance over its trailing multi-year periods remains strong when compared to the REIT Index and peers in the Morningstar Real Estate Category. As of September 30, 2025, according to Morningstar, the Fund's achievements are as follows:

- **Top 5% and top 17% for the Fund's trailing 3- and 5-year performance periods**, respectively
- **#4 ranked real estate fund since the Fund's inception** on December 29, 2017

Notably, the only real estate fund that is ranked higher than the Fund since inception is the other real estate fund that we manage, Baron Real Estate Fund, which has three share classes.

As of 9/30/2025, the Morningstar Real Estate Category consisted of 218, 210, 193, and 192 share classes for the 1-, 3-, 5-year, and since inception (12/29/2017) periods. Morningstar ranked Baron Real Estate Income Fund Institutional Share Class in the 2<sup>nd</sup>, 5<sup>th</sup>, 17<sup>th</sup>, and 2<sup>nd</sup> percentiles for the 1-, 3-, 5-year, and since inception periods, respectively. On an absolute basis, Morningstar ranked Baron Real Estate Income Fund Institutional Share Class as the 3<sup>rd</sup>, 10<sup>th</sup>, 28<sup>th</sup>, and 2<sup>nd</sup> best performing share class in its Category, for the 1-, 3-, 5-year, and since inception periods, respectively.

Since inception rankings include all share classes of funds in the Morningstar Real Estate Category. Performance for all share classes date back to the inception date of the oldest share class of each fund based on Morningstar's performance calculation methodology. Morningstar calculates the Morningstar Real Estate Category Average performance and rankings using its Fractional Weighting methodology. Morningstar rankings are based on total returns and do not include sales charges. Total returns do account for management, administrative, and 12b-1 fees and other costs automatically deducted from fund assets.

Performance listed in the above table is net of annual operating expenses. The gross annual expense ratio for the Retail Shares and Institutional Shares as of April 30, 2025 was 1.27% and 0.90%, respectively, but the net annual expense ratio was 1.05% and 0.80% (net of the Adviser's fee waivers), respectively. The performance data quoted represents past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original cost. The Adviser waives and/or reimburses certain Fund expenses pursuant to a contract expiring on August 29, 2036, 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](http://BaronCapitalGroup.com) or call 1-800-99-BARON.

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

### Annualized performance (%) for period ended September 30, 2025

	Fund Retail Shares <sup>1,2</sup>	Fund Institutional Shares <sup>1,2</sup>	MSCI US REIT Index <sup>1</sup>	S&P 500 Index <sup>1</sup>
QTD <sup>3</sup>	5.31	5.43	4.49	8.12
YTD <sup>3</sup>	3.90	4.16	3.75	14.83
1 Year	4.84	5.15	(2.88)	17.60
3 Years	12.68	12.97	9.51	24.94
5 Years	8.41	8.70	8.04	16.47
Since Inception (12/29/2017)	8.91	9.16	4.58	14.44
Since Inception (12/29/2017) (Cumulative) <sup>3</sup>	93.76	97.17	41.54	184.43



## We will address the following topics in this letter:

- Our current top-of-mind thoughts
- Portfolio composition
- Top contributors and detractors to performance
- Recent activity
- Concluding thoughts on the prospects for real estate and the Fund

## Our Current Top-of-Mind Thoughts

### We remain optimistic about the prospects for public real estate and the Baron Real Estate Income Fund.

*Our diligence leads us to believe that, over the next few years, improving real estate business fundamentals and values will contribute to attractive returns for the Fund.*

Additional thoughts that support our constructive outlook are as follows:

#### 1. We are encouraged by bullish comments from executives of leading real estate companies

We believe recent positive comments from the executives of several leading real estate companies bode well for an improvement in real estate fundamentals and share price performance. A few examples from companies owned in the Fund include the following:

**Jon Gray – President and Chief Operating Officer of Blackstone Inc., July 24, 2025**

- “We know the path of travel (for real estate)...So I’d say our confidence on the ultimate outcome (is) high, and we’re getting closer and closer to that tipping point where real estate will start to move.”

**Hamid Moghadam, Co-Founder, Chairman and Chief Executive Officer of Prologis, Inc., October 15, 2025**

- “Our record leasing this quarter underscores the strength and resilience of our platform. With a solid pipeline, improving customer sentiment and limited new supply, the logistics market is setting up for the next inflection in rent and occupancy growth – one of the most compelling setups I’ve seen in 40 years.”

**Shankh Mitra, Chief Executive Officer of Welltower Inc., July 29, 2025**

- “...Our confidence continues to grow as (the) demand-supply backdrop for senior housing business continues to improve, the implementation of Welltower Business System bears fruit and our capital deployment opportunity set remains robust... We remain intensely focused on pure execution in all facets of our business and have never been more excited as we are today about our future prospects. While our momentum is strong, we’re still in (the) early stages of a long journey of delivering compounding per-share cash-flow growth for our existing owners, our north star.”

**Christian Ulbrich, Chief Executive Officer and President of Jones Lang LaSalle Incorporated, August 6, 2025**

- “As we look ahead and reflect on the health of our industry, we see continued signals of stability and calls for cautious optimism for our business. Real estate fundamentals are stable, the case to outsource is strengthening, tenant demand is growing, and debt markets and capital availability remain strong. Above all, the focus on high-quality well-managed real estate is elevated and broadening and our occupier and investor clients alike are more motivated than in recent years to make investment decisions.”

**Doug Yearley, Jr., Chairman and Chief Executive Officer of Toll Brothers, Inc., August 20, 2025**

- “I think the economy is starting to heal. I think the buyers are beginning to come back out. I think rates dropping a little bit, it’s more psychological for our client than it is affordability-wise, because we have more (of) a luxury client that can afford our homes...I’m certainly feeling better than I was a few months ago.”

#### 2. We agree with Blackstone that real estate is at a pivotal moment in the cycle

In a recent piece titled “*Evolving to Outperform*”, written by Nadeem Meghji, global co-head of Blackstone Real Estate, Nadeem’s comments are consistent with the views we expressed in our June 30, 2025, shareholder letter:

“Today, we find ourselves at a pivotal moment in the cycle. Values have reset lower, new supply in sectors like apartments and warehouses are at 10-year lows and the (real estate) recovery has only just started.”

“Now is a great time to acquire high-quality hard assets at a discount to physical replacement cost.”

#### 3. We continue to believe the investment case for real estate is compelling

We are cognizant that the backdrop in real estate has been difficult in the last few years in part due to concerns about the impacts from higher interest rates, refinancing headwinds, COVID-hangover effects, and possible bank failures. At this stage, however, we believe real estate is at an important positive inflection point.

- A large portion of the real estate concerns are “old news,” some of which are exaggerated and hyperbole, and have resulted in an unusually appealing opportunity to invest in public real estate at attractive valuations.
- Demand conditions are mostly favorable. Cyclical growth opportunities for well-located real estate and secular real estate tailwinds (e-commerce for industrial real estate, affordability advantages for residential-related rental companies, aging baby boomers for senior housing, increased spending on travel for hotels and leisure businesses, and rising data consumption and AI for data centers) are underappreciated in our opinion.
- Competitive supply has collapsed for much of real estate. The competitive supply outlook is broadly benign due to modest new construction in the last three years and limited new supply forecasted for the next three years. The higher costs for land,

labor, and construction materials combined with elevated borrowing costs for developers have served as constraints on new competitive construction. In many cases, it is more economical to buy assets today that often trade at discounts to replacement cost rather than to build at current cost levels.

- Balance sheets are generally in solid shape and use significantly less leverage than the private market.
- Debt capital is widely available, and credit spreads have compressed for high-quality borrowers.
- Substantial capital (private equity, sovereign wealth funds, pension funds, and others) is in pursuit of real estate ownership. We believe private capital may step in and capitalize on the opportunity to buy quality public real estate at depressed prices. This “embedded put” should limit downside valuation and pricing.
- Much of public real estate has been repriced for a higher cost of capital and many real estate valuations are compelling.

#### 4. We continue to identify compelling opportunities in several REIT and non-REIT real estate companies

Please see “Portfolio Composition” later in this letter for additional thoughts on the Fund’s investments.

#### 5. We believe the Baron Real Estate Income Fund is a compelling mutual fund option

We continue to believe our approach to embracing and structuring a more expansive and diversified real estate income fund where we invest primarily in REITs (at least 75% to 80% of net assets) but also have the optionality to invest up to 20% to 25% in non-REIT real estate companies (primarily dividend paying real estate companies), will shine even brighter in the years ahead, in part due to the rapidly changing real estate landscape which, in our opinion, requires more discerning analysis.

### Portfolio Composition

As of September 30, 2025, we invested the Fund’s net assets as follows: REITs (75.0%), non-REIT real estate companies (22.0%), and cash and cash equivalents (3.1%). We currently have investments in 13 REIT categories. Our exposure to REIT and non-REIT real estate categories is based on our research and assessment of opportunities in each category on a bottom-up basis, which we outline below.

#### Fund investments in REIT categories

	Percent of Net Assets (%)
<b>REITs</b>	<b>75.0</b>
Industrial REITs	14.4
Health Care REITs	14.0
Mall REITs	7.5
Data Center REITs	7.3
Wireless Tower REITs	6.8
Office REITs	4.4
Other REITs	4.0
Single-Family Rental REITs	3.8
Multi-Family REITs	3.7
Triple Net REITs	3.3
Mortgage REITs	2.0
Hotel REITs	2.0
Self-Storage REITs	1.8
<b>Non-REIT Real Estate Companies</b>	<b>22.0</b>
Cash and Cash Equivalents	3.1
<b>Total</b>	<b>100.0*</b>

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

### Summary REIT and Non-REIT Category Commentary

#### Industrial REITs (14.4%)

- **In 2024, we were cautious on business prospects for industrial REITs** due to demand normalization to pre-pandemic levels (elongated corporate decision making), increased supply deliveries in the first half of 2024, moderating rent growth in certain geographic markets, inventory de-stocking, driving less need for warehousing space shorter term, and elevated headline valuations relative to other REIT categories.
- **We also reaffirmed that we are long-term bullish on industrial REITs and indicated that we may become more positive on the group at some point in 2025.** This positive inflection occurred in the first quarter when we re-acquired shares in Prologis, Inc. and EastGroup Properties, Inc. In the second quarter, we acquired shares in Terreno Realty Corporation and further increased our holdings in the third quarter. Industrial REITs currently represent the Fund’s largest exposure.
- We are optimistic about the multi-year prospects for the Fund’s industrial REIT holdings, predicated on a compelling multi-year outlook for demand/supply/rent growth, significant embedded growth potential from in-place rents that are generally 20% to 30% below market rents, and several secular demand tailwinds (e-commerce, supply chain logistics, increasing “just-in-time” inventory safety stock, nearshoring/onshoring). For our thoughts on Prologis, please see the “Top net purchases” section later in this letter.

## Health Care REITs (14.0%)

- **We maintain a favorable view of the multi-year prospects for senior housing** and remain bullish on the outlook for **Welltower Inc., Ventas, Inc., and American Healthcare REIT, Inc.**
- We believe senior housing real estate is likely to benefit from favorable cyclical and secular growth opportunities in the next few years. Fundamentals are improving (rent increases and occupancy gains) against a backdrop of muted supply growth due to punitive financing and elevated construction costs. The long-term demand outlook remains favorable, driven in part by an aging population (baby boomers and the growth of the 80-plus population), which is expected to accelerate in the years ahead. Expense pressures (labor shortages/other costs) have largely abated, and we believe highly accretive acquisition opportunities may surface, particularly for Welltower given its cost of capital advantage.

## Mall REITs (7.5%)

- **We remain optimistic about the prospects for mall REITs, The Macerich Company and Simon Property Group, Inc.** The fundamental backdrop for high-quality mall and outlet real estate remains attractive: (i) tenant demand remains robust; (ii) there is a shortage of desirable retail space (high occupancy and a dearth of new mall developments); (iii) favorable demand/supply imbalance is enabling landlords to raise rents; and (iv) valuations are attractive.
- We remain bullish on the two-to-three-year prospects for the shares of Macerich. We have continued to spend time with CEO Jackson Hsieh, who we believe will create further meaningful long-term value for the company, in part by selling non-core properties, repaying debt, and improving lease terms with tenants. In the third quarter, we acquired additional shares in Macerich. For our thoughts on Macerich, please see the “Top net purchases” section later in this letter.

## Data Center REITs (7.3%)

- **We maintain conviction in the multi-year favorable prospects for data centers.** The Fund maintains positions in **Equinix, Inc., Digital Realty Trust, Inc., and GDS Holdings Limited** (a non-REIT data center company).
- Data center landlords such as Equinix, Digital Realty, and GDS are benefiting from low vacancy, demand outpacing supply, more constrained power availability, rising rental rates, and significant levels of pre-leasing before capital is spent for larger footprint data centers (had not been the case historically). Several secular demand vectors, which are currently broadening, are contributing to robust fundamentals for data center space globally. They include the outsourcing of information technology infrastructure, increased cloud computing adoption, the ongoing growth in mobile data and internet traffic, and AI as a new wave of data center demand. Put simply, each year data continues to grow exponentially, and all this data needs to be processed, transmitted, and stored—supporting increased demand for data center space. In addition, while it is still early innings, we believe AI could not only provide a source of incremental demand

but also further accelerate existing secular trends by driving increased prioritization and additional investment in digital transformation among enterprises. We are just beginning to see early signs of enterprise AI adoption, which could be further unlocked with costs coming down.

- Despite our long-term optimism, we did trim the Fund’s exposure to Equinix in the third quarter following management’s plan to increase capital investments to support its longer-term growth goals which results in a lower near-term bottom-line growth. We will have more to say on Equinix in future shareholder letters. We also modestly trimmed the Fund’s position in Digital Realty.

## Wireless Tower REITs (6.8%)

- **We remain optimistic about the long-term growth prospects for wireless tower REITs** given strong secular growth expectations for mobile data usage, 5G spectrum deployment and network densification (with 6G around the corner), edge computing (possible requirement of mini data centers next to a tower presents an additional revenue opportunity), and growth in connected Internet of Things devices (e.g. homes and cars), which will require more wireless bandwidth usage and continued increased spending by the mobile carriers.
- Following strong share price performance in the first six months of 2025 and our expectation that growth may moderate for some of the wireless tower REITs, we trimmed the Fund’s allocation from 9.9% to 6.8%. Please see “Top Detractors” for more complete thoughts on **American Tower Corporation**.

## Office REITs (4.4%)

- **We have remained selectively bullish on office REITs.** While we are generally cautious on broader office real estate for several years due to both cyclical and secular headwinds that we expected would persist, we have been able to identify certain geographic markets (New York City) and other well-located, high-quality portfolios of modern office properties (New York City and parts of the West Coast) that we believe are poised to gain market share and outperform as market conditions improve. We believe there is a segment of office REITs that trades at a significant discount to both the private market value and the replacement cost of their respective portfolios, while also trading at a meaningful discount relative to certain publicly traded peers. **The Fund maintains a position in New York-centric office REIT Vornado Realty Trust and remains optimistic about the company’s long-term prospects.**
- **In the second quarter, we acquired shares in BXP, Inc.** (formerly known as Boston Properties), a blue-chip office REIT that owns a portfolio of premier office properties in coastal U.S. markets including Boston, New York City, San Francisco, Washington, D.C., Los Angeles, and Seattle. We believe the company’s growth prospects are likely to accelerate in 2026 and its valuation is compelling relative to replacement cost and private market valuations.
- **In the third quarter, we acquired shares in Kilroy Realty Corporation,** a west-coast focused office REIT. We will have more to say about Kilroy in future shareholder letters.

**Other REITs (4.0%)**

- In the third quarter, we acquired additional shares of **Iron Mountain Incorporated** at what we believe was a compelling valuation level. Iron Mountain offers record storage management along with an evolving fast-growing data center segment. We have continued to meet with CEO Bill Meany and CFO Barry Hytinen and remain encouraged by the company's prospects to increase overall cash flow per share by approximately 10% over the next several years, far more than our growth expectations for most other REITs. The company's strong growth outlook is underpinned by predictable and stable growth in its core records management business, while outsized growth is driven by its data center business which has visibility to more than the triple operational capacity from today's in-place base. Further, the company's asset life cycle management business continues to grow at more than 20% year-over-year with opportunities to further consolidate the fragmented market.

**Single-Family Rental REITs (3.8%)**

- We remain long-term bullish on single-family rentals due to favorable demand/supply prospects, homeownership affordability challenges, and tenants' desire for flexibility afforded with a "mortgage-free" lifestyle. These multi-faceted tailwinds should lead to strong long-term rent growth prospects and the continued ability of landlords to increase rents. We believe valuations are attractive.
- In the third quarter, the shares of **Invitation Homes Inc.** and **American Homes 4 Rent** detracted from performance. Please see the "Top Detractors" section later in this letter for our more complete thoughts.

**Multi-Family REITs (3.7%)**

- In the most recent quarter, we trimmed the Fund's exposure to multi-family REITs from 6.7% to 3.7% due to somewhat disappointing operating results, superior growth expectations in other REIT segments, and the announcement of a partial sale of one of the Fund's REIT holdings, **Elme Communities**.
- Long term, we remain optimistic about the prospects for multi-family REITs due to the rental affordability advantages versus for-sale housing (move-outs to buy remain at all-time lows), an attractive supply outlook from 2025 to 2027, the benefits of a partial inflation hedge given annual leases, strong rent-to-income ratios from a well-employed renter demographic, and public market valuation discounts relative to private market valuations.

**Triple Net REITs (3.3%)**

- We remain optimistic about the long-term prospects for triple net REIT **Agree Realty Corporation**. Investment merits include its high-quality retail real estate portfolio, the company's investment grade tenant base, a cost of capital advantage to pursue accretive acquisitions, and an opportunity to triple the size of the current portfolio. Agree Realty is a founder-led firm with insider ownership and shareholder interests aligned. We believe Agree Realty could be an outsized beneficiary of

a decline in interest rates given its ability to drive earnings growth via accretive acquisitions and the long duration nature of its cash flows.

- Earlier in 2025, we acquired shares in **VICI Properties Inc.**, a triple net lease REIT that owns one of the largest high-quality portfolios of gaming, hospitality, wellness, and entertainment destinations. We will elaborate on the Fund's investment in VICI in future shareholder letters.

**Mortgage REITs (2.0%)**

- We have maintained the Fund's holding in **Blackstone Mortgage Trust, Inc.**, a commercial mortgage REIT that is focused on real estate credit investments. We believe the company benefits from several favorable attributes including its sponsorship by Blackstone Inc., the largest owner of commercial real estate globally, the company's global platform which provides access to a geographically diversified pipeline of real estate credit investment opportunities, and the company's strong and liquid balance sheet. We will elaborate on the Fund's investment in Blackstone Mortgage Trust in future shareholder letters.

**Hotel REITs (2.0%)**

- The Fund has maintained a position in **Host Hotels & Resorts, Inc.**, the world's largest lodging REIT. We have a favorable view of the company because it owns and operates a large portfolio of premier hotels in attractive geographic markets that should generate strong growth over time. Management maintains a strong and liquid investment grade balance sheet. We view the company's current valuation as compelling.

**Self-Storage REITs (1.8%)**

- We have been cautious about the prospects for self-storage REITs due to a multi-year period of flat to negative growth. In 2025, we have become incrementally bullish. Our due diligence suggests that a positive fundamental inflection may be on the horizon and growth may reaccelerate in 2026. Long term, we believe self-storage is a highly attractive business and will elaborate on our views in future shareholder letters.
- Following strong share price performance, the Fund trimmed its large holding in **SmartStop Self Storage REIT, Inc.**, a self-storage REIT that owns a portfolio of 171 properties across 22 states and 3 provinces in Canada, though we remain excited about our investment in the company.

**Non-REIT Real Estate Companies (22.0%)**

- We emphasize REITs but have the flexibility to invest in non-REIT real estate companies. We tend to limit these to no more than approximately 25% of the Fund's net assets. At times, some of our non-REIT real estate holdings may present superior growth, dividend, valuation, and share price appreciation potential than some REITs.
- In the most recent quarter, the Fund increased its exposure to non-REIT real estate companies from 15.4% to 22.0% with the purchases of **Jones Lang LaSalle Incorporated**, **Blackstone Inc.**, **CRH public limited company**, **Vail Resorts, Inc.**, and **GDS Holdings Limited**.



## Top Contributors and Detractors

### Top contributors to performance for the quarter

	Quarter End Market Cap (\$B)	Contribution to Return (%)
Welltower Inc.	119.1	1.37
Wynn Resorts, Limited	13.3	0.81
Prologis, Inc.	108.7	0.74
Simon Property Group, Inc.	61.3	0.69
CRH public limited company	80.5	0.62

In the third quarter, the shares of **Welltower Inc.**, an operator of senior housing, life science, and medical office real estate properties, continued to significantly outperform both the REIT and broader equity indices. As we have outlined in prior letters, we believe Welltower offers both “offensive” and “defensive” investment attributes in the current uncertain macroenvironment. Given most of the company’s cash flows are derived from senior housing, “defensive” characteristics are underpinned by a “needs based” service offering. Welltower owns senior housing properties in some of the best micro-markets with substantial pricing power given the company serves a higher net worth demographic.

As we have articulated in the past, we remain optimistic about the prospects for both cyclical growth (a recovery from depressed occupancy levels following COVID-19) and secular growth (seniors are the fastest growing portion of the population and people are living longer) in senior housing demand against a backdrop of muted supply that will lead to many years of compelling organic growth. Several of these characteristics continued to be on display in the most recent quarter as Welltower reported above-industry rent and occupancy growth. Senior housing cash flow and overall bottom-line per share earnings growth were both greater than 20% and exceeded expectations. We regard management as highly astute capital allocators who continue to execute on a robust and growing external growth pipeline that elongates the growth profile of the overall portfolio. Furthermore, the company has not been shy about selling assets at compelling valuation levels as evidenced by \$16 billion of asset dispositions over the last 10 years – should Welltower decide to shed its lower growth medical office portfolio and further lean into higher growth senior housing assets, we believe the company would be an even higher growth and more valuable platform.

Since the beginning of 2025, we have noted that the shares of **Wynn Resorts, Limited**, the pre-eminent luxury global owner and operator of integrated resorts (hotels and casino resorts), were, in our opinion, too cheap. In the most recent quarter, Wynn’s shares increased 37.3% following strong second quarter results and better-than-expected performance in both Macau and Las Vegas.

Wynn has developed “best-in-class” real estate assets in Las Vegas (Wynn and Encore), Boston (Encore Boston Harbor), and Macau (Wynn Macau and Wynn Palace). The company continues to invest in its hotel and casino assets to maintain its lead in each market.

Despite its strong year-to-date share price performance, we continue to believe that at its recent price of \$116 per share, Wynn’s shares are attractively valued at only 9.3 times 2026 estimated cash flow or on a sum-of-the-parts valuation basis.

In December, management will be hosting a multiple day investor event in the United Arab Emirates (UAE) to view and discuss the prospects for its newest development - the Wynn Al Marjan Island which is expected to open early in 2027. We believe the UAE is the most exciting new market for integrated resort developments in decades. We believe the project could be worth \$25 per share in today’s dollars and do not believe this new development is reflected in Wynn’s current share price.

We also anticipate a further recovery in Macau and the beginning of an improvement in Las Vegas Strip sentiment in the year ahead. Importantly, we believe Wynn’s higher-end consumer position in Las Vegas, which leads to relative pricing power, should continue to somewhat isolate the company versus several of its peers.

The shares of **Prologis, Inc.**, a best-in-class industrial REIT, performed well in the most recent quarter following strong business results and indications that business prospects may improve in the year ahead. Please see “Top Recent Purchases” for our more complete thoughts on the company.

### Top detractors from performance for the quarter

	Quarter End Market Cap (\$B)	Contribution to Return (%)
American Tower Corporation	90.1	(1.04)
Invitation Homes Inc.	18.0	(0.21)
American Homes 4 Rent	12.3	(0.14)
Equity Residential	24.7	(0.12)
Equinix, Inc.	76.7	(0.11)

After robust performance in the first six months of the year, shares of **American Tower Corporation**, a global REIT owner of 150,000 wireless tower communication sites with a heavy emphasis on developed markets, pulled back during the third quarter and lagged REITs broadly. Underperformance was driven by a slight delay in U.S. billings from 2025 to 2026 along with investor concerns about the contractual commitments of a small customer (DISH) and associated potential churn impacts after EchoStar Corporation divested its U.S. spectrum licenses.

While we acknowledge the market’s concerns, we believe American Tower’s shares remain attractively valued on an absolute basis and relative to other data infrastructure companies. Further, the company’s business is underpinned by the continued secular growth in mobile data, bookings activity is improving, and we believe the company will be able to deliver consistent mid- to upper single-digit underlying per share organic earnings growth with optionality around capital allocation levers such as share repurchases and acquisitions on top of a growing 3.5% current dividend yield.

Shares of **Invitation Homes Inc.** and **American Homes 4 Rent** lagged during the quarter along with broader residential real estate stocks. While operating fundamentals continued to be positive, concerns surfaced regarding weakening jobs data and a shadow inventory of supply of homes for rent in select markets leading to fears of potentially waning pricing power. In addition, investors remained concerned that lower mortgage rates may spur more people to move out of rental homes (and apartments) to buy homes, which could impact occupancy and turnover levels. Notwithstanding these concerns, we believe valuation continues to be compelling and remain positive on the long-term demographic trends supporting demand for single-family rental, the compelling rent-versus-buy value proposition, and the exposure to geographic markets with above average demand along with potential external growth through development and home builder partnerships.

## Recent Activity

### Top net purchases for the quarter

	Quarter End Market Cap (\$B)	Net Amount Purchased (\$M)
Jones Lang LaSalle Incorporated	14.1	8.5
Prologis, Inc.	108.7	5.1
The Macerich Company	4.6	3.6
Iron Mountain Incorporated	30.1	3.0
Kilroy Realty Corporation	5.0	1.9

During the third quarter we initiated a position in **Jones Lang LaSalle Incorporated** (JLL), a leading global commercial real estate services company whose offerings include leasing, capital markets, property management, and investment management.

#### We are excited about the prospects for JLL for four reasons:

1. We expect the company to continue benefiting from structural and secular tailwinds: the outsourcing of commercial real estate, the institutionalization of commercial real estate, and opportunities to increase market share in a highly fragmented market.
2. We believe we are in the early days of a cyclical rebound in commercial real estate sales and leasing activity.
3. We regard JLL as a high quality, competitively advantaged company. JLL's leading global platform and capabilities ("one-stop shop" coupled with leadership positions across business lines) lead to advantageous recruiting efforts and customer offerings, fueling share gains and above market growth.
4. We anticipate that cyclical and secular tailwinds could enable JLL to generate annual earnings per share growth of mid-teens in the next several years organically, with further upside potential from utilizing its low leverage balance sheet for accretive acquisitions and/or share repurchases.

JLL is presently valued at a discounted multiple of less than 15 times our estimate of next year's earnings versus 17 to 18 times during prior early cycle periods.

During the quarter we added to our position in **Prologis, Inc.**, a best-in-class industrial REIT. Our sense is that leasing activity has begun to stabilize and pick up, which could accelerate if improving business confidence helps unleash significant pent-up demand that has been building this year.

We recently had the pleasure of hosting CEO Hamid Moghadam for a meeting in our office, and we were left with the following takeaways:

1. A reminder that Prologis benefits from a high-quality real estate portfolio, an unmatched global platform, strong competitive advantages (scale, data, and technology), and an exceptional management team.
2. Hamid remains optimistic about the multi-year prospects for Prologis, predicated on a compelling multi-year outlook for demand/supply/rent growth, significant embedded growth potential from in-place rents that are generally 30% below market rents, and several secular demand tailwinds (e-commerce, supply chain logistics, more inventory safety stock, and nearshoring/onshoring).
3. Hamid expects that Prologis's recent foray into select data center development (that carries high risk-adjusted returns on already owned land) will likely become an increasingly accretive source of growth in the coming years.

We continue to believe the appreciation potential for Prologis' shares remains compelling given the strong runway for future cash flow and earnings growth over the next several years and an undemanding valuation.

During the quarter we added to our position in **The Macerich Company**, an exceptionally high-quality mall REIT. We remain optimistic about the prospects for Macerich over the next several years. The fundamental backdrop for high-quality mall real estate remains favorable for several reasons: (i) tenant demand remains robust; (ii) there is a shortage of desirable retail space (occupancy is high and there is a dearth of new mall developments); and (iii) the favorable demand/supply imbalance is enabling landlords to raise rents. We continue to spend time with highly regarded CEO Jackson Hsieh, who came in as an outsider and is taking a highly analytical review of the company's real estate portfolio with "fresh eyes." We believe he will unlock significant "hidden value" in the company by selling non-core properties and repaying debt. At the current share price, we believe Macerich is valued at a significant discount relative to its closest publicly traded mall peers and relative to recent mall transactions that have taken place in the private market. We anticipate that this valuation discount may narrow or close in the coming years as the turnaround plan progresses.

## Top net sales for the quarter

	Quarter End Market Cap or Market Cap When Sold (\$B)	Net Amount Sold (\$M)
SmartStop Self Storage REIT, Inc.	2.1	3.9
Equinix, Inc.	76.7	3.8
Elme Communities	1.5	2.6
Independence Realty Trust, Inc.	3.8	2.1
Welltower Inc.	119.1	2.1

In the most recent quarter, we trimmed the Fund's large position in **SmartStop Self Storage REIT, Inc.** but remain optimistic about the company's long-term prospects. We also trimmed the Fund's holding in **Equinix, Inc.** following a worse than expected growth rate outlook for 2026 due to elevated capital expenditures. We exited the Fund's investment in multi-family REIT **Elme Communities** following the announcement of a partial sale of the company.

## Concluding Thoughts on the Prospects for Real Estate and the Fund

Some clients have inquired if there is a catalyst that will spark further improvement in real estate business fundamentals and share price performance.

It is not clear to us that there is a single event or catalyst that will "flash green" for public real estate. Instead, we believe there are several positive factors that may spur an acceleration in growth and reignite interest in public real estate.

Real estate business conditions are mostly steady with signs of improvement. We do not believe that competitive new supply will be a headwind for most real estate in the next few years. This favorable organic dynamic of demand exceeding supply may lead to better-than-expected growth in cash flows and share price returns.

Real estate credit markets are as strong as we have seen. They are deep and liquid and credit spreads continue to compress.

Though we do not forecast interest rates, the Federal Reserve's September interest cut may be the beginning of an easing cycle with further interest rate cuts in the year ahead. Historically, there have been several benefits from Federal Reserve interest rate cuts including an improvement in asset prices, a boost to CEO and business confidence, higher business activity which could lead to more hiring, a possible reduction in mortgage rates, and an improvement in the relative appeal of stocks versus cash.

We are mindful, however, that excessive government deficits could lead to higher long-end interest rates and are monitoring this closely. *Our research prioritization, however, continues to be on identifying competitively advantaged real estate companies that we believe can generate strong cash flow growth. We have structured the Fund's holdings to fit this desired profile. Should long-term interest rates decline, that would only enhance shareholder returns.*

As we begin to prepare for and peer into 2026, we believe we are approaching a pivotal and encouraging moment for real estate and the Baron Real Estate Income Fund. We believe business fundamentals will exceed expectations and deliver solid growth in the next few years. Solid growth could result in an expansion in real estate values. The desired building blocks of total shareholder return (growth + dividends + an improvement in valuation through lower capitalization rates or higher cash flow multiples) may collectively emerge. If so, total shareholder returns for the Fund should be compelling.

## Top 10 holdings

	Quarter End Market Cap (\$B)	Quarter End Investment Value (\$M)	Percentage of Net Assets (%)
Welltower Inc.	119.1	23.1	8.8
Prologis, Inc.	108.7	22.9	8.7
American Tower Corporation	90.1	17.9	6.8
Equinix, Inc.	76.7	12.5	4.8
Simon Property Group, Inc.	61.3	11.2	4.3
Iron Mountain Incorporated	30.1	10.4	4.0
EastGroup Properties, Inc.	9.0	9.6	3.6
Brookfield Corporation	112.9	9.3	3.5
Jones Lang LaSalle Incorporated	14.1	9.1	3.5
The Macerich Company	4.6	8.6	3.3

A big thank you to our core real estate team – assistant portfolio manager, David Kirshenbaum, and George Taras, David Berk, and David Baron – for their amazing work ethic. Our team remains focused, energized, and highly driven to deliver strong results for you, our shareholders, over the long term.

I proudly remain a major shareholder of the Baron Real Estate Income Fund.

Sincerely,



Jeffrey Kolitch  
Portfolio Manager

<sup>1</sup> The **MSCI US REIT Index Net (USD)** is designed to measure the performance of all equity REITs in the U.S. equity market, except for specialty equity REITs that do not generate a majority of their revenue and income from real estate rental and leasing operations. The **S&P 500 Index** measures the performance of 500 widely held large-cap U.S. companies. MSCI is the source and owner of the trademarks, service marks and copyrights related to the MSCI Indexes. The MSCI US REIT Index and the Fund include reinvestment of dividends, net of foreign withholding taxes, while the S&P 500 Index includes reinvestment of dividends before taxes. Reinvestment of dividends positively impacts performance results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly in an index.

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

<sup>3</sup> Not annualized.

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

**Risks:** In addition to general market conditions, the value of the Fund will be affected by the strength of the real estate markets as well as by interest rate fluctuations, credit risk, environmental issues and economic conditions. The Fund invests in debt securities which are affected by changes in prevailing interest rates and the perceived credit quality of the issuer. The Fund invests in companies of all sizes, including small and medium sized companies whose securities may be thinly traded and more difficult to sell during market downturns.

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

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

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

The **Morningstar Rating™** for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales loads. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

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

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



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# Baron Technology Fund®

Retail Shares: BTEEX | Institutional Shares: BTECX | R6 Shares: BTEUX

## Dear Baron Technology Fund Shareholder,

### Performance

During the third quarter, Baron Technology Fund (the Fund) posted a positive return of 5.89% (Institutional Shares), but underperformed the MSCI ACWI Information Technology Index (the Benchmark), which gained 12.76%; the Invesco QQQ Trust (the QQQ), which increased 8.94%; and the broader S&P 500 Index, which rose 8.12%. For the year-to-date period, the Fund appreciated 18.25%, trailing the Benchmark, which returned 22.83%, but outperforming the QQQ and the S&P 500 Index, which gained 17.92% and 14.83%, respectively.\*

### Review and Outlook

#### Market Backdrop

U.S. equities were broadly higher in the third quarter, building on gains from the prior period. The S&P 500 and NASDAQ Composite Indexes set new record highs throughout the quarter, most recently on September 22.

The dominant driver of market strength was the increased likelihood of Federal Reserve (the Fed) rate cuts, prompted by signs of weakness in the labor market and more dovish Fed commentary. Fed rate cut expectations rose in early August following a much weaker-than-expected July non-farm payrolls report and significant downward revisions to prior payroll numbers. Dovish Fed speak intensified as the month wore on, with Chairman Powell hinting a possible interest rate cut while delivering remarks at the Fed's annual Jackson Hole conference. The Fed ultimately resumed its rate-cutting cycle at the September meeting, lowering its policy rate by 25 basis points to a range of 4% to 4.25%, after being on hold since last December. Robust corporate earnings, a lull in trade uncertainties, a resilient consumer, increased M&A and IPO activity, and sustained AI optimism also contributed to market gains during the period.

*Performance listed in the above table is net of annual operating expenses. The gross annual expense ratio for the Retail Shares and Institutional Shares as of April 30, 2025 was 1.75% and 1.35%, respectively, but the net annual expense ratio was 1.20% and 0.95% (net of the Adviser's fee waivers and expense reimbursements), respectively. The performance data quoted represents past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original. The Adviser waives and/or reimburses certain Fund expenses pursuant to a contract expiring on August 29, 2036, 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](https://BaronCapitalGroup.com) or call 1-800-99-BARON.*



Ashim Mehra  
Portfolio Manager

Michael Lippert  
Portfolio Manager

### Annualized performance (%) for period ended September 30, 2025

	Fund Retail Shares <sup>1,2</sup>	Fund Institutional Shares <sup>1,2</sup>	MSCI ACWI Information Technology Index <sup>1</sup>	S&P 500 Index <sup>1</sup>	MSCI ACWI Index <sup>1</sup>
QTD <sup>3</sup>	5.89	5.89	12.76	8.12	7.62
YTD <sup>3</sup>	18.13	18.25	22.83	14.83	18.44
1 Year	36.70	36.99	28.09	17.60	17.27
3 Years	38.68	39.10	37.19	24.94	23.12
Since Inception (12/31/2021)	12.85	13.17	14.88	11.11	9.14

### Performance

The Fund posted positive gains but underperformed Benchmark during the quarter. Relative underperformance was largely due to stock selection. This was a combination of poor performance of certain stocks owned in the portfolio, some of which fall outside of the GICS defined Information Technology (IT) sector, and strong performance of mega caps we didn't own. About a third of the relative shortfall came from poor stock selection in IT, while most of the remaining underperformance came from unique investments in other sectors, particularly Communication Services and Consumer Discretionary.

In the IT sector, solid gains and relative performance from **Taiwan Semiconductor Manufacturing Company Limited** (the world's advanced semiconductor manufacturing champion), **Broadcom Inc.** (AI networking and custom accelerator winner), **Lam Research Corporation** (leading semi-cap equipment company), and **Shopify Inc.** (e-commerce platform leader) were offset by sharp pullbacks in **PAR Technology Corporation** (restaurant technology provider)

and **Atlassian Corporation** (software development and team collaboration tools leader), which are addressed below. The Fund’s relative underweight in **Microsoft Corporation** contributed to relative performance, while the Fund’s underweight in **Apple Inc.** detracted, accounting for 58% of our IT sector underperformance.

Regarding Apple, the stock rallied significantly after a U.S. court issued a favorable remedy in the Department of Justice’s antitrust case against Google, alleviating market fears of a worst-case scenario. The ruling was a positive outcome for Apple, preserving its more than \$25 billion high-margin traffic-acquisition revenue stream from Google and other search providers, and leaving the door open for potential future AI-related payments. This news, along with positive early data on iPhone 17 demand, drove Apple’s stock to outperform.

In Communication Services, strong gains and relative performance from **Reddit, Inc.** (digital advertising leader) was overshadowed by poor performance from **Spotify Technology S.A.** (global streaming music and content leader) and **The Trade Desk** (digital advertising platform provider). Spotify, which remains a top performer on a year-to-date basis (up 56%) but retreated somewhat during the period, impacted relative performance because it is one of the largest overweight positions in the portfolio.

In Consumer Discretionary, strong returns and relative performance from **Tesla, Inc.** (electric vehicle (EV) and autonomous driving pioneer) was negated by disappointing performance from **Amazon.com, Inc.** (dominant e-commerce platform and cloud computing leader) and **Duolingo, Inc.** (leading language learning platform), discussed below. Amazon’s stock was roughly flat in the quarter but impacted relative performance because it is large overweight position in the portfolio.

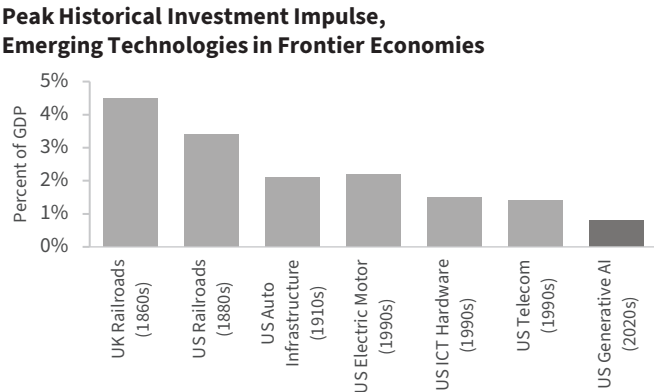
AI Update

The market has recently absorbed a surge of activity around AI infrastructure buildouts. OpenAI is at the center of these developments, announcing partnerships with NVIDIA, Broadcom, and Advanced Micro Devices for 10 gigawatts (GW), 10 GW, and 6 GW of compute capacity respectively, along with more than 5 GW of commitments to Oracle for cloud infrastructure as part of the Stargate project (one or more of these vendors’ compute equipment will power Oracle-Stargate data centers). In addition, NVIDIA CEO Jensen Huang proclaimed in September that global AI-infrastructure spending could total \$3 trillion to \$5 trillion by 2030.

To be clear, in our industry and individual company models/ estimates, we do not assume the underlying AI infrastructure market hits the figures implied by the announced partnerships or Jensen’s 2030 target, nor do we need the market to hit these levels to earn our targeted long-term returns. We assess announcements and projections like these and others across the broader AI ecosystem from first principles, conducting intensive research to measure the addressable markets and understand technical architectures and differences; talking to everybody (as Ron says), including business leaders, other investors and analysts, and industry experts; analyzing from top-down and bottom-up perspectives; and, as I always say, trying to separate the signal

from the noise and focusing on what’s real rather than what’s said. With an appreciation that history does not repeat itself but often rhymes, we are rigorously examining the parallels and distinctions between today’s AI disruptions and inflections of today and past technology paradigm shifts (such as the “Dot-Com” era) and their broader economic implications, alongside lessons from historical infrastructure expansions. At the same time, we are quantifying the many AI addressable markets across sectors, while critically evaluating the usefulness and value of AI to real-world industries, businesses, workflows, and tasks. We remain attuned to ongoing debates around AI’s return on investment and potential bubbles and are closely monitoring pathways to monetization and value creation, including through cost efficiencies. We invite our shareholders to watch Michael Lippert’s recent appearance on Wealthtrack, “The State of the AI Investment Boom,” for further discussion of many of these topics.

From a top-down perspective, while even the low end of Jensen’s forecast and the announced compute programs seem mammoth at first blush, the global economy is expected to reach \$140 trillion by 2030, meaning this \$3 trillion market estimate would be just about 2% of the global economy. This strikes us as not unrealistic for the most critical infrastructure of the 21st century, and reasonably consistent with historical infrastructure builds that have generally peaked at 2% to 5% of GDP.



The chart above is from a Goldman Sachs report issued as we were drafting this letter: “The AI Spending Boom Is Not Too Big.” According to our own AI research using Grok: (1) The U.S. railroad expansion in the 1850s averaged 1.72% of U.S. GDP and peaked at 2.6% in 1854, amid a surge to connect major cities. (2) Automotive factory builds accounted for about 1-3% of U.S. GDP during the peak period of the 1940s to 1950s. Source: Goldman Sachs Global Investment Research, Bureau of Economic Analysis. 10/15/2025.

Moreover, as we have written before, technology spending today accounts for just 5% of global GDP. We live in a digital age. Every digital interaction from today forward, across business and consumer applications, will have AI at the core of the intelligence layer of the application. Much of incremental GDP growth will incorporate AI and technologies like agentic AI will displace large swaths of existing GDP. If AI innovations propel technology spending towards just 10% of global GDP by 2030, we’re talking about \$14 trillion, quite a reasonable justification for large-scale AI infrastructure investments.

From a more bottom-up perspective, we attempt to break this down further and identify the true unlocks required from AI models and systems to justify the trillions of dollars that the leading AI labs now plan to deploy. The most immediate opportunities for AI are not in expanding the economic pie but in redistributing it across existing large markets. For example, the global e-commerce market is estimated to hit \$6.4 trillion this year, representing about 20.5% of global retail sales. We find ourselves on the edge of the first holiday season where consumers will put AI commerce to the test, with such features as OpenAI's Instant Checkout.<sup>4</sup> Over the remainder of this decade, AI should influence and monetize a growing share of this massive consumer market. The global digital advertising market, projected to approach \$850 billion this year, should also continue to see share shifts as AI reshapes consumer engagement. Similarly, the global software market, covering enterprise, productivity, and application software, is estimated to reach over \$800 billion in 2025. AI features and services are already disrupting this market—AI user interfaces, AI predictive intelligence, AI agentic workflows assisting and replacing humans in code development and customer service, etc.—and are expected to drive future software spending and capture a large share of the market opportunity.

The second growth vector, labor replacement, is more transformative in theory but likely to be slower in practice. Human labor represents 45% to 50% of the global economy. Optimists believe AI agents will eventually replace significant portions of knowledge work, and physical AI like autonomous vehicles and robots will begin to displace a broad array of human labor. We are carefully monitoring product announcements and user adoption, but we do appreciate that this transition will evolve over the remainder of the decade and face social, political, and regulatory hurdles.

The most compelling long-term vector is innovation itself. Human progress and GDP growth have historically been driven by research and development, which in turn depends on the number of people with the requisite intelligence and creativity in each field. This is the essence of the Artificial General Intelligence and Artificial Super Intelligence narratives: once machines reach or exceed human-level intelligence, we could, in principle, run millions, or even billions, of R&D agents and experiments in parallel inside AI data centers, accelerating discovery and unlocking entirely new drivers of global growth. As Elon Musk explained during the Grok 4 Livestream, “we’re at the beginning of an immense intelligence explosion...[w]e’re at the intelligence big bang,” but the “real test” for AI is “reality.” Will AI “invent a new technology...improve the design of a car or a rocket or create a new medication...Does the rocket get to orbit? Does the car drive? Does the medicine work?”

Here’s just one real-world example already in Baron portfolios. Earlier this year we participated in the IPO of **Heartflow, Inc.**, a health care innovator that uses AI to analyze a coronary CT (computed tomography) angiogram scan, creating a personalized 3D model of heart arteries. The AI, combined with computational fluid dynamics and human analysts, simulates blood flow through this model to assess the impact of blockages and provide doctors with a “CT-derived fractional flow reserve” value, which helps diagnose coronary artery disease and personalize treatments. We are carefully monitoring the long-term AI innovation flywheel.

We remain optimistic about the broad trajectory of AI-driven progress but disciplined in distinguishing real, measurable advances from speculative ambition. Our focus is on identifying the best positioned players to capture enduring value amid this fast-moving, high-potential world of intelligence creation.

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

- AI
- Semiconductors
- Cloud computing
- Software-as-a-service
- Digital media/entertainment
- Targeted digital advertising
- E-commerce
- Digital/AI healthcare
- Cybersecurity
- EVs/autonomous driving
- Electronic payments
- Robotics
- Data center power/cooling

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

- Networking: **Arista Networks, Inc.**, **Lumentum Holdings Inc.**, and **Coherent Corp.**
- Data center power/cooling: **AAON, Inc.**
- E-commerce: **Eternal Limited**
- EVs/autonomous driving: **Tesla, Inc.**
- Software-as-a-service: **Intapp, Inc.**, **Samsara Inc.**, **Synopsys, Inc.**, **Via Transportation, Inc.**, **Netskope, Inc.**, and **Guidewire Software, Inc.**
- Semiconductors: **Taiwan Semiconductor Manufacturing Company Limited** and **NVIDIA Corporation**



Top contributors to performance for the quarter

	Contribution to Return (%)
NVIDIA Corporation	2.23
Broadcom Inc.	1.63
Tesla, Inc.	1.41
Taiwan Semiconductor Manufacturing Company Limited	1.21
Reddit, Inc.	1.11

**NVIDIA Corporation** is a semiconductor and systems company specializing in compute and networking platforms for accelerated computing. NVIDIA has captured a dominant position in AI infrastructure with a comprehensive portfolio spanning semiconductor accelerators, networking solutions, modular and rack-scale systems, and software. Shares rose during the quarter as investor confidence in AI infrastructure expansion grew. For its July 2025 quarter, NVIDIA reported 56% total and data center revenue growth. Looking forward, NVIDIA disclosed near-term visibility of tens of GWs in AI buildouts, including the 10 GW agreement with OpenAI, with each GW representing an estimated \$35 billion total addressable market (TAM). During its August earnings call, NVIDIA's management declared: "We are at the beginning of an industrial revolution that will transform every industry. We see \$3 trillion to \$4 trillion in AI infrastructure spend by the end of the decade." As AI infrastructure investment accelerates, NVIDIA's leadership continues to strengthen through durable moats across compute silicon, networking, systems, software, and supply chain. We remain confident in AI's potential to transform the global economy and in NVIDIA's pivotal role as the leading enabler of that transformation, positioning it to capture significant long-term value in the AI era.

**Broadcom Inc.** is a leading semiconductor and enterprise software company, generating approximately 60% of revenue from semiconductors and 40% from software. The company is strategically positioned at the intersection of high-performance AI compute and networking infrastructure, while also demonstrating disciplined execution in software. Broadcom has extended its leadership in networking silicon from the cloud era into the AI era and is regarded as the most reliable silicon partner for AI foundational model builders designing custom chips to train frontier models. Shares rose during the quarter on accelerating momentum in Broadcom's AI product lines and strong business visibility into next year. In its July quarter, Broadcom reported almost \$16 billion in total revenue, up 22%; \$5.2 billion in AI revenue, up 63%; and \$6.8 billion in software revenue, up 17%. Broadcom continued to demonstrate excellent profitability, with EBITDA margins over 67% and free cash flow margins at 44%. While Broadcom continues to execute with its key custom AI accelerator customer, Google, it is on track for volume production with two additional customers (likely Meta and ByteDance), has secured a fourth customer with orders worth \$10 billion next year, and announced a 10 GW deal with a notable fifth customer, OpenAI. Beyond AI, Broadcom is advancing VMware integration, while its non-AI semiconductor businesses appear to be bottoming and

may gradually recover in the coming quarters. We retain our long-term conviction in Broadcom's position within the AI ecosystem.

**Tesla, Inc.** designs, manufactures, and sells EVs, related software and components, solar products, and energy storage solutions. Tesla shares contributed to our quarterly performance due to three key catalysts. First, Tesla's core automotive business saw an uplift in sentiment and growth. The company announced record third quarter results for both vehicle deliveries and energy storage deployment, surpassing strong expectations. While the expiration of U.S. consumer EV tax credits likely positively influenced domestic sales, investors also identified enthusiastic consumer response to a new Model Y variant in China, elevating expectations for this variant's traction. Second, investor confidence in the company's ambitious long-term vision and in Elon Musk's leadership was reinforced by a newly proposed CEO compensation package and nearly \$1 billion in personal share purchases by Musk. To fully benefit from the compensation plan, Elon and Tesla will need to achieve close to an 8-fold increase in market cap and over a 25-fold expansion in adjusted EBITDA. Alongside these financial goals, the company must also deliver on its revolutionary AI initiatives. Over the coming decade the company will need to deploy one million robotaxis in commercial operations, selling one million humanoid robots, reaching 10 million active Full-Self-Driving (FSD) subscribers, while continuing to sell millions of cars to consumers each year. Finally, Tesla's AI initiatives continue to advance rapidly. Tesla's Austin robotaxi network saw its operational footprint grow from 20 to over 170 square miles in just two months after its June 2025 launch, with further expansion on the horizon, including in new cities. Additionally, the forthcoming FSD Version 14 is anticipated to be a critical step toward broader autonomous capabilities. Elon Musk previously stated that V14 "is the second biggest update to Tesla AI/Autopilot ever after V12. It feels alive," noting that "With FSD V14, we're on track to enable unsupervised driving in select areas by the end of the year, assuming regulatory approval." In addition, Tesla's humanoid robot is expected to transition from design to volume production next year as Tesla finalizes its latest Optimus design.

Top detractors from performance for the quarter

	Contribution to Return (%)
PAR Technology Corporation	(0.92)
The Trade Desk	(0.91)
Spotify Technology S.A.	(0.56)
Duolingo, Inc.	(0.55)
Atlassian Corporation	(0.32)

**PAR Technology Corporation** is a leading software, hardware, and service provider to the food service industry. Shares of PAR fell during the quarter as the company lowered its annual recurring revenue (ARR) growth outlook for the year to 15% (from prior 20% expectations) due to weak macro conditions for its restaurant customers and the purposeful delay of some new rollouts to focus on winning late-stage opportunities with some of the largest restaurants in the industry. Additionally, management indicated

that it believes the right core ARR growth rate for the business going forward is now 15%, not the prior 20% target. Despite the weaker start to the year and lower “core” growth outlook, for the next 12 months the company remains confident it can deliver 20% ARR growth supported by a strong pipeline of contracted customers, including its rollout to Burger King. Additionally, we have confidence that the company is well positioned to win at least one of its three late stage “mega deals,” which would meaningfully improve the growth outlook for 2026 and 2027, given they are sized as equal to or multiples of the Burger King deal, which is PAR’s largest deal to date. In general, as more enterprise-scale restaurants look to upgrade their technology stacks, PAR remains well positioned to win an outsized share as the leading cloud-based multi-product platform in the industry. Also, despite the lower growth outlook the company can manage expenses in lockstep, which means our estimates for rapidly scaling profitability in the coming years remain virtually unchanged.

**The Trade Desk**, a leading digital-advertising demand-side platform (DSP), detracted from performance this quarter after reporting results and guidance that fell short of expectations. This frustrated investors amid strength in the broader advertising market and following strong first quarter results that exceeded both Baron and consensus forecasts. We believe several factors contributed to second quarter revenue growth decelerating more than anticipated: (i) a slower-than-anticipated rollout of the company’s new platform, Kokai (which has since re-accelerated); (ii) broad macro uncertainty around tariffs that impacted larger brand advertisers, who appear to have pulled-forward advertising spending into the first quarter in front of the administration’s April tariff roll out; and (iii) the company’s restructuring of sales and account coverage, particularly focused on its largest clients. Importantly, our conversations with industry participants suggest that Amazon’s competing DSP has not yet taken meaningful share from Trade Desk and that most advertiser interest in Amazon appears limited to its exclusive Prime Video inventory. That said, we are closely monitoring Amazon’s push to scale its offering by undercutting Trade Desk on fees and signing new publishing partners like Roku, Netflix, and Spotify. Despite these issues, our research supports our view that Trade Desk remains the product leader in the DSP space and is well positioned to benefit from strengthening brand advertising trends in the second half of 2025. Trade Desk no longer commands a premium valuation, trading more in line with peers and reflecting tempered growth expectations. The company remains financially stout, with over \$1.7 billion in cash on its balance sheet, strong free cash flow generation, and the capacity to aggressively repurchase a significant portion of its market cap. We continue to hold our position in Trade Desk, while keeping a close eye on the evolving competitive landscape.

As stated above, global streaming music and content leader **Spotify Technology S.A.** remained a top performer on a year-to-date basis (up 56%) but retreated somewhat during the period. It is reported as a third quarter detractor because it is a large position in the portfolio.

Despite language learning platform **Duolingo Inc.** reporting a strong second quarter with 40% daily active user growth and 41%

revenue growth, the stock traded down intra-quarter following an OpenAI product demonstration around language learning and third-party data trends that indicated slowing user growth on the app. While the OpenAI demo was impressive, we believe that OpenAI’s offering requires substantial effort on the part of the user, lacks Duolingo’s expert-approved exercises, and most importantly, lacks the engaging gaming mechanics that Duolingo is known for and keeps users motivated to keep coming back. Duolingo was also negatively impacted by third-party data trends showing a deceleration in user growth, following social media controversy over the company’s decision to use more AI to slow hiring. While we believe that daily active user growth has slowed from second quarter’s 40-plus percent year over year level, we believe that the company should continue to grow users north of 20% (and revenue growth ahead of user growth) English speaking regions continue to maintain strong engagement and user growth, and advanced English courses unlock a larger addressable market in the hundreds of millions. The company’s newest AI offering, Max, allows users to practice speaking with a virtual tutor, allowing for greater engagement, improved learning, and higher monetization for the company. We continue to closely monitor trends in user growth and monetization.

**Atlassian Corporation** is a leading team collaboration and productivity software vendor. The company initially focused on serving software engineers (over 20 million worldwide), but its newer products, features, and use cases address a much larger set of users, including business teams engaged in product development (over 100 million worldwide) and the much broader group of knowledge workers (over 1 billion globally). Despite solid results and guidance, shares declined on continued fears that AI software code development tools would pressure the number of software developers and Atlassian’s own growth from this segment. Our research indicates that AI will spark more software code to be written and applications to be adopted, resulting in more—not less—demand for Atlassian’s portfolio of products. We believe these products will be monetized through a combination of both seats and consumption elements. We are carefully monitoring all risks related to AI but have yet to see any impact on the company’s business.

## Portfolio Structure

We invest in companies of any market capitalization that we believe will deliver durable growth from the development, advancement, and/or use of technology. We invest principally in U.S. securities but may invest up to 35% in non-U.S. securities.

At the end of the third quarter, the largest market cap holding in the Fund was \$4.5 trillion and the smallest was \$880 million. The median market cap of the Fund was \$29.7 billion and the weighted average market cap was \$1.4 trillion.

We had investments in 46 unique companies. Our top 10 positions accounted for 59.1% of net assets.

To end the quarter, the Fund had \$103.2 million in net assets.

Fund flows were slightly negative in the third quarter but remain meaningfully positive this year.

## Top 10 holdings

	Quarter End Market Cap (\$B)	Quarter End Investment Value (\$M)	Percent of Net Assets (%)
NVIDIA Corporation	4,533.9	14.6	14.1
Broadcom Inc.	1,558.0	9.5	9.2
Amazon.com, Inc.	2,341.7	7.2	7.0
Taiwan Semiconductor Manufacturing Company Limited	1,448.6	6.8	6.5
Tesla, Inc.	1,478.8	5.3	5.2
Spotify Technology S.A.	145.5	5.0	4.8
Microsoft Corporation	3,850.0	4.6	4.5
Eternal Limited	35.4	3.0	2.9
Duolingo, Inc.	14.7	2.8	2.7
Apple Inc.	3,778.8	2.3	2.2

## Fund investments in GICS industries

	Percent of Net Assets (%)
Semiconductors & Semiconductor Equipment	37.3
Software	17.5
Broadline Retail	7.0
Automobiles	5.2
Entertainment	4.8
IT Services	4.1
Hotels Restaurants & Leisure	3.6
Electronic Equipment Instruments & Components	3.3
Communications Equipment	3.0
Diversified Consumer Services	2.7
Technology Hardware Storage & Peripherals	2.2
Real Estate Management & Development	2.1
Media	2.0
Health Care Providers & Services	1.2
Building Products	1.0
Construction & Engineering	1.0
Personal Care Products	1.0
Aerospace & Defense	0.8
Health Care Technology	0.3
Cash and Cash Equivalents	(0.1)
<b>Total</b>	<b>100.0*</b>

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

## Recent Activity

### Top net purchases for the quarter

	Quarter End Market Cap (\$B)	Net Amount Purchased (\$M)
Lumentum Holdings Inc.	11.4	2.0
Duolingo, Inc.	14.7	1.2
Arista Networks, Inc.	183.1	1.2
Zillow Group, Inc.	17.9	1.1
Intapp, Inc.	3.4	1.1

We initiated a position in **Lumentum Holdings Inc.** this quarter. The company is a leading photonics and optical components company specializing in lasers (light emitters) used for optical communication within data centers. As data centers become larger and more communication-intensive, the industry is transitioning toward newer classes of laser technology, an area where Lumentum holds a leading market share. The supply of these advanced lasers remains structurally constrained, positioning Lumentum to exercise pricing power and gain share in the photonics industry. Moreover, Lumentum's leadership in next-generation optical technologies, such as co-packaged optics (optical components integrated directly with silicon chips) and optical circuit switching (enabling direct optical routing without electrical conversion), positions the company well to capture emerging markets that could redefine data center architectures. These technologies enhance performance, reduce power losses, and expand the TAM for optical solutions. We believe Lumentum is exceptionally well positioned to benefit from both the secular growth of traditional optical communication and the emergence of new markets that open massive incremental opportunities in the buildout of the AI infrastructure ecosystem.

We added shares of **Duolingo, Inc.** in the quarter, as discussed previously.

This quarter, we re-established a position in **Arista Networks, Inc.**, a leading provider of high-performance networking solutions for data centers, cloud providers, and enterprises. Arista's advanced switching and routing platforms, powered by its proprietary software, offer enhanced scalability, automation, and flexibility. The company generates revenue through hardware sales bundled with software and post-contract support services, serving major cloud players like Microsoft, Meta, and Oracle, along with a growing range of enterprise customers. We are witnessing an unprecedented buildout of AI infrastructure, where networking is becoming an increasingly critical component. While NVIDIA offers a comprehensive technology stack for AI data centers, Arista stands out as the leading networking company with best-in-class Ethernet solutions. Its products not only interconnect servers within data centers and link multiple data centers together but will also extend to emerging architectures that connect AI accelerators within the rack. We believe Arista is well positioned to capture a meaningful share of the data center networking stack as AI cluster builders prioritize performance optimization and vendor diversification.

## Top net sales for the quarter

	Quarter End Market Cap or Market Cap When Sold (\$B)	Net Amount Sold (\$M)
Reddit, Inc.	44.4	2.6
CyberArk Software Ltd.	19.9	1.7
LPL Financial Holdings Inc.	26.6	1.5
MNTN, Inc.	1.3	1.4
Datadog, Inc.	49.7	1.2

We exited our position in **CyberArk Software Ltd.** after its acquisition by Palo Alto Networks Inc. was announced.

We also exited our position in **Reddit, Inc.** due to valuation.

We sold **LPL Financial Holdings Inc.**, **MNTN, Inc.**, **Park Systems Corporation**, and **eDreams ODIGEO SA** to allocate capital to higher conviction names.

We trimmed monitoring and security software platform **Datadog, Inc.** and reallocated capital to new and existing software names, such as **Intapp, Inc.**, **Samsara Inc.**, **Via Transportation, Inc.**, and **Netskope, Inc.**

## Looking Ahead

Looking ahead, our focus is unwavering: owning category-defining technology businesses that sit at the heart of durable, secular growth trends. Led by visionary, execution-driven management teams, these companies convert breakthrough innovation into expanding free cash flow. We believe this combination uniquely positions the Fund to compound our investors' capital over the long term.

Sincerely,



Michael A. Lippert  
Portfolio Manager



Ashim Mehra  
Portfolio Manager

## Fund Action

On or about **December 12, 2025**, **Baron Technology Fund** (the "Fund") will convert from a mutual fund into an exchange-traded fund (ETF). We are converting the Fund to an ETF to provide shareholders with greater flexibility, lower costs, and increased transparency.

Upon conversion, a new fee structure will go into effect where a unitary management fee of 0.75% will be adopted. There will be no change to the investment strategy or the portfolio management team.

All shareholders will receive a direct notification.

- **If clients hold shares in a brokerage account that can hold ETFs:**

Shares will automatically convert—no action is needed.

- **If clients hold share in accounts that cannot hold ETFs:**

Shares need to be transferred to an existing or new brokerage account that allows ETF investments before the conversion date. If no transfer is made, shares will be **liquidated** at the time of conversion, and proceeds will be paid in cash (net of any applicable fees and expenses).

For questions, please call the Baron Capital customer service line at **1-844-673-0984** Monday through Friday from 9:00 a.m. to 6:00 p.m. EST.



<sup>1</sup> The **MSCI ACWI Information Technology Index Net (USD)** is designed to measure large and mid cap securities across 23 Developed Markets (DM) countries and 24 Emerging Markets (EM) countries. All securities in the index are classified in the Information Technology sector as per the Global Industry Classification Standard (GICS®). The **S&P 500 Index** measures the performance of 500 widely held large-cap U.S. companies. The **MSCI ACWI Index Net (USD)** is designed to measure the equity market performance of large and midcap securities across 23 DM and 24 EM countries. MSCI is the source and owner of the trademarks, service marks and copyrights related to the MSCI Indexes. The MSCI Indexes and the Fund include reinvestment of dividends, net of foreign withholding taxes, while the S&P 500 Index includes reinvestment of dividends before taxes. Reinvestment of dividends positively impacts the performance results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly in an index.

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

<sup>3</sup> Not annualized.

<sup>4</sup> In late September, OpenAI announced Instant Checkout—enabling shoppers to go from chat to checkout inside of ChatGPT in just a few taps—and partnerships with many leading e-commerce players, including Shopify and Walmart. According to OpenAI’s website here’s how Instant Checkout works: “When someone asks a shopping question—‘best running shoes under \$100’— ChatGPT shows the most relevant products from across the web. Product results are organic and...ranked purely on relevance to the user. If a product supports Instant Checkout, users can tap ‘Buy,’ confirm their order, shipping, and payment details, and complete the purchase without ever leaving the chat. Existing ChatGPT subscribers can pay with their card on file, or other card and express payment options. Orders, payments, and fulfillment are handled by the merchant using their existing systems. ChatGPT simply acts as the user’s AI agent..., just like a digital personal shopper would. Merchants pay a small fee on completed purchases, but the service is free for users.”

\* As of September 30, 2025, the annualized returns of the Invesco QQQ Trust were 23.66%, 31.88%, and 12.35% for the 1-year, 3-year, and since Fund inception (12/31/2021) periods, respectively.

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

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

**Risks:** In addition to general market conditions, technology companies, including internet-related and information technology companies, as well as companies propelled by new technologies, may present the risk of rapid change and product obsolescence, and their successes may be difficult to predict for the long term. Technology companies may also be adversely affected by changes in governmental policies, competitive pressures and changing demand. Non-U.S. investments may involve additional risks to those inherent in U.S. investments, including exchange-rate fluctuations, political or economic instability, the imposition of exchange controls, expropriation, limited disclosure and illiquid markets. The Fund is non-diversified, which means it may have a greater percentage of its assets in a single issuer than a diversified fund. The Fund invests in companies of all sizes, including small and medium sized companies whose securities may be thinly traded and more difficult to sell during market downturns.

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

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

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

**Invesco QQQ™** is an exchange-traded fund based on the Nasdaq-100 Index®. The Fund will, under most circumstances, consist of all of stocks in the Index. The Index includes 100 of the largest domestic and international nonfinancial companies listed on the Nasdaq Stock Market based on market capitalization. The Fund and the Index are rebalanced quarterly and reconstituted annually.

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

**EBITDA**, short for earnings before interest, taxes, depreciation, and amortization, is an alternate measure of profitability to net income. It’s used to assess a company’s profitability and financial performance. **Free Cash Flow (FCF)** represents the cash that a company generates after accounting for cash outflows to support operations and maintain its capital assets. **Free Cash Flow (FCF) Margin** is a measure of profitability for a business. FCF Margin takes the free cash flow that a business generates and compares it against the revenue they earned during the same period.

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



QUARTERLY LETTER | SEPTEMBER 30, 2025

# Baron WealthBuilder Fund®

Retail Shares: BWBFX | Institutional Shares: BWBIX | TA Shares: BWBTX

## Dear Baron WealthBuilder Fund Shareholder,

### Performance

Baron WealthBuilder Fund (the Fund) is an allocation strategy that invests exclusively in Baron Funds. Its investments span market caps, sectors, and geographies to provide growth equity diversification.

The Fund appreciated 3.20% (Institutional Shares) during the third quarter, trailing its primary benchmark, the S&P 500 Index (the Index), as well as the globally oriented MSCI ACWI Index (the Global Index), which were up 8.12% and 7.62%, respectively. The Fund also trailed peers in the Morningstar Aggressive Allocation Category (the Peers), which were up 5.67%.\*

Despite experiencing intermittent bouts of underperformance in recent years, the Fund's long-term track record remains solid. The Fund's annualized return of 12.93% since inception is modestly below the Index (+14.44%) and ahead of the Global Index (+10.67%) and Peers (+8.08%). As a result, the Fund ranked in the top percentile of its Peer group since inception. While disappointed with recent relative returns compared to its indexes, we are proud of the Fund's long-term absolute and relative performance compared to its Peers.

As of September 30, 2025, the Morningstar Aggressive Allocation Category consisted of 94, 94, 90, and 92 share classes for the 1-, 3-, 5-year, and since inception (12/29/2017) time periods. Morningstar ranked Baron WealthBuilder Fund Institutional Share Class in the 57<sup>th</sup>, 64<sup>th</sup>, 96<sup>th</sup>, and 1<sup>st</sup> percentiles, respectively.

\* As of September 30, 2025, the annualized returns of the Morningstar Aggressive Allocation Category Average were 10.74%, 17.31%, 11.31%, and 8.08% for the 1-, 3-, 5-year, and since inception (12/29/2017) periods, respectively.

Morningstar calculates the Morningstar Aggressive Allocation Category Average performance and rankings using its Fractional Weighting methodology. Morningstar rankings are based on total returns and do not include sales charges. Total returns do account for management, administrative, and 12b-1 fees and other costs automatically deducted from fund assets.

Performance listed in the above table is net of annual operating expenses. The gross annual expense ratio for the Retail Shares, Institutional Shares, and TA Shares as of April 30, 2025 was 1.46%, 1.21%, and 1.21%, respectively, but the net annual expense ratio was 1.43%, 1.18%, and 1.18% (includes acquired fund fees of 1.13%, net of expense reimbursements), respectively. The performance data quoted represents past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original cost. BAMCO, Inc. ("BAMCO" or the "Adviser") has agreed that, pursuant to a contract expiring on August 29, 2036, unless renewed for another 11-year term, it will waive and/or reimburse certain expenses of the Fund, limiting net annual operating expenses (portfolio transaction costs, interest and dividend expense, acquired fund fees and expenses, fees and expenses related to filing foreign tax reclaims, and extraordinary expenses are not subject to the operating expense limitation) to 0.30% of average daily net assets of Retail Shares, 0.05% of average daily net assets of Institutional Shares and 0.05% of average daily net assets of TA Shares, without which performance would have been lower. Current performance may be lower or higher than the performance data quoted. For performance information current to the most recent month end, visit [BaronCapitalGroup.com](http://BaronCapitalGroup.com) or call 1-800-99-BARON.



Ron Baron  
CEO  
Portfolio Manager

Michael Baron  
Co-President  
Portfolio Manager

### Annualized performance (%) for period ended September 30, 2025

	Fund Retail Shares <sup>1,2</sup>	Fund Institutional Shares <sup>1,2</sup>	Fund TA Shares <sup>1,2</sup>	S&P 500 Index <sup>1</sup>	MSCI ACWI Index <sup>1</sup>
QTD <sup>3</sup>	3.17	3.20	3.20	8.12	7.62
YTD <sup>3</sup>	4.80	5.00	5.01	14.83	18.44
1 Year	10.53	10.81	10.81	17.60	17.27
3 Years	16.30	16.60	16.58	24.94	23.12
5 Years	8.43	8.71	8.69	16.47	13.54
Since Inception (12/29/2017)	12.66	12.93	12.92	14.44	10.67

The recent quarter should not be viewed in isolation and should remind investors how the Fund has performed over the course of a full cycle. Results in 2025 follow a period of a surprise and drastic change in the U.S. political landscape. The business and investor euphoria experienced because of the Presidential election at the end of 2024 was met with the realities of policies enacted (and in some cases, enacted, paused, and/or withdrawn) at the start of

## Baron Funds Performance: Institutional share class data

Percent of Net Assets of Fund (%)		Return for Third Quarter of 2025* (%)	Annualized Return 12/29/2017 to 9/30/2025 (%)	Primary Benchmark	Return for Third Quarter of 2025* (%)	Annualized Return 12/29/2017 to 9/30/2025 (%)
<b>30.3</b>	<b>Small Cap</b>					
5.0%	Baron Discovery Fund	2.85	11.21	Russell 2000 Growth Index	12.19	7.98
12.8%	Baron Growth Fund	(8.69)	7.93			
12.5%	Baron Small Cap Fund	0.54	9.72			
<b>7.1</b>	<b>Small-Mid Cap</b>					
7.1%	Baron Focused Growth Fund	4.83	22.01	Russell 2500 Growth Index	10.73	9.29
<b>9.4</b>	<b>Mid Cap</b>					
9.4%	Baron Asset Fund	(4.23)	9.59	Russell Midcap Growth Index	2.78	12.59
<b>8.9</b>	<b>Large Cap</b>					
4.3%	Baron Durable Advantage Fund	5.62	16.13 <sup>†</sup>	S&P 500 Index	8.12	14.28 <sup>†</sup>
4.6%	Baron Fifth Avenue Growth Fund	5.72	14.24	Russell 1000 Growth Index	10.51	18.61
<b>20.1</b>	<b>All Cap</b>					
4.6%	Baron Opportunity Fund	5.44	21.26	Russell 3000 Growth Index	10.41	17.93
15.5%	Baron Partners Fund	13.17	24.33	Russell Midcap Growth Index	2.78	12.59
<b>10.7</b>	<b>Non-U.S./Global</b>					
3.2%	Baron Emerging Markets Fund	10.89	3.88	MSCI Emerging Markets Index	10.64	4.47
4.3%	Baron Global Opportunity Fund	7.71	10.94 <sup>†</sup>	MSCI ACWI Index	7.62	10.29 <sup>†</sup>
3.2%	Baron International Growth Fund	6.04	5.91	MSCI ACWI ex USA Index	6.89	6.31
<b>13.6</b>	<b>Sector</b>					
2.4%	Baron FinTech Fund	(4.29)	11.28 <sup>†</sup>	FactSet Global FinTech Index	(1.90)	5.14 <sup>†</sup>
2.6%	Baron Health Care Fund	5.39	8.86 <sup>†</sup>	Russell 3000 Health Care Index	5.05	7.35 <sup>†</sup>
6.2%	Baron Real Estate Fund	10.25	10.49	MSCI USA IMI Extended Real Estate Index	5.65	8.62
2.4%	Baron Real Estate Income Fund	5.43	4.01 <sup>†</sup>	MSCI US REIT Index	4.49	3.25 <sup>†</sup>

\* Not annualized.

<sup>†</sup> Performance is calculated from the time the Fund was added to Baron WealthBuilder Fund: Baron Durable Advantage Fund – 3/13/2018; Baron Global Opportunity Fund – 1/9/2018; Baron FinTech Fund – 2/27/2020; Baron Health Care Fund – 10/18/2018; and Baron Real Estate Income Fund – 5/17/2021.

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

2025. Investors had believed that President Trump would usher in a pro-business era of less regulatory burdens, falling interest rates, and lower taxes. However, these same investors remain concerned about tariffs hindering international trade, inflation harming discretionary spending, and federal spending cuts, and the ongoing government shutdown impacting economic growth. It has been a whipsaw of forecasts.

We did not attempt to predict the 2024 election outcome, nor investor reaction to it. And we likewise are not attempting to predict current policy. We believe that our investments should achieve their goals regardless of political outcomes. Reduced regulatory burdens should enable our disruptive growth businesses to meet their objectives more quickly. And we find that more challenging economic environments tend to favor our core growth quality, competitively-advantaged businesses, which are well represented in the Fund. These businesses should face less competition from new entrants in such economies. And the executive teams should

position their business to thrive. The portfolio turnover of most Baron Funds remained low throughout this period. A transitional period is often volatile, and that has once again been the case.

Against this backdrop, the Fund's third quarter performance was bolstered by the high-conviction, non-diversified Baron Partners and Baron Focused Growth Funds, with most of the gains coming from electric vehicle (EV) manufacturer **Tesla, Inc.** and private rocket, satellite, and spacecraft manufacturer **Space Exploration Technologies Corp.** (SpaceX). Tesla's share price increased 40% due to multiple factors. First, Tesla's core automotive business is showing renewed strength, with expectations for rising third quarter delivery volumes across major markets following an enthusiastic consumer response to a new Model Y variant in China. Second, investor confidence in the company's long-term vision and in Elon Musk's leadership was reinforced by a newly proposed CEO compensation package and nearly \$1 billion in personal share purchases by Musk. Finally, Tesla's AI initiatives continue

to advance rapidly, highlighted by the Austin robotaxi network's expansion from 20 to over 170 square miles since its June 2025 launch and plans for rollouts to additional cities. The upcoming Full Self-Driving version 14 release is also expected to deliver a major leap in capability for the company's consumer-owned fleet, while humanoid robot production is anticipated next year as Tesla finalizes its latest Optimus design.

SpaceX is a high-profile private company founded by Elon Musk. The company's primary focus is on developing and launching advanced rockets, satellites, and spacecrafts, with the ambitious long-term goal of making life multi-planetary. SpaceX is generating significant value with the rapid expansion of its Starlink broadband service. The company is successfully deploying a vast constellation of Starlink satellites in Earth's orbit, reporting substantial growth in active users, and regularly deploying new and more efficient hardware technology. Furthermore, SpaceX has established itself as a leading launch provider by offering highly reliable and cost-effective launches, leveraging the company's reusable launch technology. SpaceX capabilities extend to strategic services such as human spaceflight missions. Moreover, SpaceX is making tremendous progress on its newest rocket, Starship, which is the largest, most powerful rocket ever flown. This next-generation vehicle represents a significant leap forward in reusability and space exploration capabilities. We value SpaceX using prices of recent stock transactions.

Double-digit gains from the sector-focused Baron Real Estate Fund and the non-U.S./global Baron Emerging Markets Fund also aided performance. Baron Real Estate Fund benefited from its unique exposure to non-REIT real estate-related companies, which were up 13.9% in the period owing mostly to strength in the casinos & gaming operators (**Wynn Resorts, Limited** and **Red Rock Resorts, Inc.**), homebuilders & land developers (**Toll Brothers, Inc.** and **D.R. Horton, Inc.**), and building products/services (**CRH public limited company** and **Advanced Drainage Systems, Inc.**) categories.

Baron Emerging Markets Fund performed well in a period when emerging market (EM) equities outperformed their developed market counterparts. The rally in Chinese equities was largely responsible for EM (and Baron Emerging Markets Fund's) outperformance, with gains being driven by investor optimism about AI innovation, which bolstered Chinese technology and internet companies. Targeted government initiatives, easing trade tensions with the U.S., and significant domestic capital inflows also contributed to strength in China. In our view, global investors have started to appreciate the country's AI potential as well as leadership in new age technologies such as EVs/batteries, autonomous mobility, humanoid robotics, and renewable energy. Taiwanese and Korean equities also performed well in the period, overshadowing weakness in India, where equity markets were pressured by underwhelming corporate earnings and concerns about the impact of new U.S. trade and visa policy announcements.

The higher growth portfolios Baron Global Opportunity, Baron Fifth Avenue Growth, and Baron Opportunity Funds also produced solid gains in the quarter, benefitting from exposure to strong-performing semiconductor (**NVIDIA Corporation**, **Taiwan**

**Semiconductor Manufacturing Company Limited**, and **Broadcom Inc.**) stocks, which were up sharply in the period due to robust earnings results and intensifying investor enthusiasm around the AI secular growth theme.

Conversely, Baron Growth Fund and Baron Asset Fund were the largest detractors from performance as losses from perceived "AI losers" generally hampered performance. Syndicated research provider **Gartner, Inc.** was the largest detractor in both funds after reporting disappointing quarterly earnings. Contract value growth, a leading indicator of future revenue, decelerated by approximately 2%. We attribute most of the slowdown to ongoing cost cutting in the U.S. public sector, which represents about 5% of revenue, as well as more challenging business conditions in industries dependent on public sector funding. In addition, companies with meaningful exposure to tariffs appear to be reducing costs, resulting in longer sales cycles and slightly higher client attrition. While the market expressed concern about the impact of AI on Gartner's insights business, we see no evidence that this is negatively impacting its value proposition. The company continues to benefit from a vast and expanding set of proprietary data generated through hundreds of thousands of interactions with buyers, sellers, and technology consumers. Gartner bought back approximately \$800 million worth of stock in July and August and authorized an additional \$1 billion in September, and we expect the company to continue repurchasing shares aggressively to capitalize on the discounted valuation.

Financial exchanges & data holdings **FactSet Research Systems Inc.**, **Morningstar, Inc.**, and **MSCI Inc.** were other perceived AI losers that hurt performance in these funds.

From a relative standpoint, the Fund underperformed the Index due to a combination of stock selection, style biases, and active industry exposures. Stock-specific weakness was largely driven by lower or lack of exposure to certain Magnificent Seven names that performed well in the period, namely **Alphabet Inc.**, **Apple Inc.**, **Microsoft Corporation**, and **NVIDIA**. The Magnificent Seven complex dominated market returns for a second consecutive quarter, accounting for nearly two-thirds of the Index's third quarter gains. The group appreciated 15.5% in the period, outperforming all other securities in the Index, which were up 4.6%, by a double-digit margin. Outside of the Magnificent Seven, the Fund's higher exposure to perceived AI losers Gartner and FactSet also detracted from relative performance.

In terms of styles, the Fund's significant exposure to small-, mid-, and mid-cap stocks proved costly, as evidenced by underexposure to the strong performing Size (large caps) factor and overexposure to the weak performing Mid Capitalization factor weighing heavily on performance in the period. The Fund was also penalized for its underexposure to Momentum, which was one of the top performing factors for the quarter.

Lastly, active industry exposures were a drag on performance owing mostly to the Fund's lower exposure to the better performing Computer Electronics and Semiconductors industries. The Fund's overexposure to the lagging Hotels Leisure and Consumer Services, Diversified Financials, and Insurance Brokers and Reinsurance industries also hampered performance.



Fund of Funds Structure and Investment Strategy

The Fund is a compilation of our Baron Funds and provides broad equity exposure. All underlying Baron Funds follow a consistent investment philosophy and process. We do not try to mimic the indexes, and we do not alter our strategy to coincide with short-term macro events that we regard as unpredictable. We remain focused on underlying business fundamentals.

We believe small- and mid-cap growth stocks offer attractive return potential relative to their risk over the long term. Small- and mid-cap businesses represent 61.3% of the Fund (compared to only 19.2% for the Index). While our small- and mid-cap growth investments have been successful over our Firm’s 43-year history, these styles are occasionally out of favor. The past few years have been one of these environments. Large-cap growth companies are outperforming small-cap growth companies this year and in many instances over the last decade. Since the Fund’s inception almost eight years ago, the one-year rolling monthly returns of the Russell 1000 Growth Index have outperformed the Russell 2000 Growth Index 80% of the time including six out of the past seven calendar years.

Rather than only examining the Fund's performance over a quarter or a year, we believe it is equally important to understand how the Fund has performed over the course of an economic cycle. The COVID-19 Pandemic and subsequent Macro-Induced Market

Rotation has been very difficult for small- and mid-sized growth companies. Investors have favored larger-cap, value-oriented businesses that are deemed safer during a time of uncertainty. We believe this offers a great opportunity for long-term investors to invest in small- and mid-cap growth businesses at attractive prices. Markets first peaked in late February 2020 before rapidly dropping as the economy braced for the COVID-19 Pandemic. It recovered quickly, followed by another sizable drop based on macroeconomic factors. Over the three years of the COVID-19 Pandemic ended December 31, 2022, the Russell 2000 Growth Index, a small-cap growth index, gained only 1.96% on a cumulative basis. The Russell Midcap Growth Index fared better with a cumulative three-year return of 12.00%. With that backdrop, the Fund performed better and appreciated 28.11%. We believe protecting and growing clients' assets during this challenging period positions long-term investors well for meaningful appreciation once the macro landscape changes. The table below provides a more complete look at how the Fund and various indexes performed during the pandemic and its aftermath.

Since the end of the COVID-19 Pandemic, volatility has remained high and new challenges have emerged. Global conflict has increased, geopolitics remains uncertain, and a global trade war is threatened. Given our weightings, the Fund's performance has trailed the large-cap Index since the start of this cycle. However, the Fund's return has continued to exceed the small-cap growth index.

Cumulative performance throughout the pandemic and its aftermath (%)

	Pre-COVID	COVID Panic	COVID New Normal	Macro-Induced Market Rotation	COVID Pandemic Cycle	Conclusion of COVID Pandemic Cycle to Present
	12/31/2019 to 2/19/2020	2/19/2020 to 3/23/2020	3/23/2020 to 11/18/2021	11/18/2021 to 12/31/2022	12/31/2019 to 12/31/2022	12/31/2022 to 9/30/2025
Baron WealthBuilder Fund (Institutional Shares)	13.84	(38.48)	179.85	(34.64)	28.11	17.76
S&P 500 Index	5.08	(33.79)	115.86	(16.91)	24.79	24.15
MSCI ACWI Index	2.74	(33.64)	102.32	(18.44)	12.50	21.29
Russell 2000 Growth Index	5.09	(38.46)	129.58	(31.34)	1.96	16.60
Russell Midcap Growth Index	6.97	(35.71)	134.05	(30.42)	12.00	22.16

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

## Performance characteristics since inception

	Baron WealthBuilder Fund (Institutional Shares)	S&P 500 Index	Morningstar Aggressive Allocation Category
Alpha (%) - Annualized	(3.12)	0.00	(4.57)
Beta	1.18	1.00	0.92
Sharpe Ratio	0.48	0.71	0.35
Standard Deviation (%) - Annualized	21.65	16.74	15.76
Upside Capture (%)	106.14	100.00	81.03
Downside Capture (%)	117.56	100.00	99.31

Source: FactSet SPAR.

Except for Standard Deviation and Sharpe Ratio, the performance based characteristics above were calculated relative to the S&P 500 Index.

## Sector exposures

	Percent of Net Assets (%)	S&P 500 Index Weight (%)	MSCI ACWI Index Weight (%)
Consumer Discretionary	21.5	10.5	10.7
Financials	19.5	13.5	17.4
Information Technology	19.2	34.8	27.2
Industrials	14.2	8.3	10.7
Health Care	9.7	8.9	8.5
Real Estate	8.5	1.9	1.9
Communication Services	4.9	10.1	8.8
Materials	1.2	1.8	3.6
Consumer Staples	0.6	4.9	5.3
Energy	0.2	2.9	3.5
Unclassified	0.0		
Utilities	0.0	2.3	2.6

\* Represents less than 0.1%.

## Fund of fund holdings

	Percent of Total Investments (%)
Baron Partners Fund	15.5
Baron Growth Fund	12.8
Baron Small Cap Fund	12.5
Baron Asset Fund	9.4
Baron Focused Growth Fund	7.1
Baron Real Estate Fund	6.2
Baron Discovery Fund	5.0
Baron Fifth Avenue Growth Fund	4.6
Baron Opportunity Fund	4.6
Baron Durable Advantage Fund	4.3
Baron Global Opportunity Fund	4.3
Baron International Growth Fund	3.2
Baron Emerging Markets Fund	3.2
Baron Health Care Fund	2.6
Baron Real Estate Income Fund	2.4
Baron FinTech Fund	2.4

Thank you for joining us as fellow shareholders in Baron WealthBuilder Fund. We continue to work hard to justify your confidence and trust in our stewardship of your hard-earned savings. We remain dedicated to giving you the information we would want if our roles were reversed. We hope this letter enables you to make an informed decision about whether this Fund remains an appropriate investment.

Respectfully,



Ronald Baron  
CEO  
Portfolio Manager



Michael Baron  
Co-President  
Portfolio Manager

<sup>1</sup> The **S&P 500 Index** measures the performance of 500 widely held large cap U.S. companies. The **MSCI ACWI Index Net (USD)** is an unmanaged, free float-adjusted market capitalization weighted index reflected in U.S. dollars that measures the equity market performance of large- and mid-cap securities across developed and emerging markets. MSCI is the source and owner of the trademarks, service marks and copyrights related to the MSCI Indexes. The MSCI ACWI Index and the Fund include reinvestment of dividends, net of foreign withholding taxes, while the S&P 500 Index includes reinvestment of dividends before taxes. Reinvestment of dividends positively impacts performance results. The indexes are unmanaged Index performance is not Fund performance. Investors cannot invest directly in an index.

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

<sup>3</sup> Not annualized.

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

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

**Risks:** The Fund is a non-diversified fund because it invests, at any given time, in the securities of a select number of Baron mutual funds (the "Underlying Funds"), representing specific investment strategies. The Fund can invest in funds holding U.S. and international stocks; small-cap, small to mid-cap, large-cap, all-cap stocks; and specialty stocks. Each of the Underlying Funds has its own investment risks, and those risks can affect the value of the Fund's investments and therefore the value of the Fund's shares. To the extent that the Fund invests more of its assets in one Underlying Fund than in another, it will have greater exposure to the risks of that Underlying Fund. For further information regarding the investment risks of the Underlying Funds, please refer to the Underlying Funds' prospectus.

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

This report does not constitute an offer to sell or a solicitation of any offer to buy securities of Baron WealthBuilder Fund ® by anyone in any jurisdiction where it would be unlawful under the laws of that jurisdiction to make such offer or solicitation. BAMCO, Inc. is an investment adviser registered with the U.S. Securities and Exchange Commission (SEC). Baron Capital, Inc. is a broker-dealer registered with the SEC and member of the Financial Industry Regulatory Authority, Inc. (FINRA)

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## Portfolio Market Capitalization

**Baron Asset Fund** is a diversified fund that invests in mid-sized growth companies with market capitalizations above \$2.5 billion or the smallest market cap stock in the Russell Midcap Growth Index at reconstitution, whichever is larger, and below the largest market cap stock in the Russell Midcap Growth Index at reconstitution.

Company	Equity Market Cap (\$M)	Percent of Net Assets (%)
Space Exploration Technologies Corp.	400,052 <sup>^</sup>	6.3
The Charles Schwab Corporation	178,158	2.6
Amphenol Corporation	151,089	5.3
Spotify Technology S.A.	145,523	1.8
Welltower Inc.	119,145	0.8
X.AI Holdings Corp.	104,000 <sup>^</sup>	3.2
Equinix, Inc.	76,651	1.0
Quanta Services, Inc.	61,751	3.1
Hilton Worldwide Holdings Inc.	61,019	0.2
Vertiv Holdings Co	57,608	1.1
Axon Enterprise, Inc.	56,338	0.9
Roper Technologies, Inc.	53,666	2.6
IDEXX Laboratories, Inc.	51,114	6.3
Veeva Systems Inc.	48,830	2.1
CBRE Group, Inc.	46,883	2.1
MSCI Inc.	43,898	0.8
Fair Isaac Corporation	35,922	2.6
CoStar Group, Inc.	35,743	4.4
Verisk Analytics, Inc.	35,140	4.4
Arch Capital Group Ltd.	33,862	3.9
Willis Towers Watson Public Limited Company	33,698	0.8
Rollins, Inc.	28,468	1.8
LPL Financial Holdings Inc.	26,617	0.4
VeriSign, Inc.	26,112	0.5
Mettler-Toledo International Inc.	25,288	3.3
Tradeweb Markets Inc.	24,244	0.9
The Trade Desk	23,963	0.6
Samsara Inc.	23,033	0.8
SS&C Technologies Holdings, Inc.	21,677	0.9
CDW Corporation	20,875	1.0

Company	Equity Market Cap (\$M)	Percent of Net Assets (%)
Gartner, Inc.	19,909	4.7
Guidewire Software, Inc.	19,430	5.4
West Pharmaceutical Services, Inc.	18,864	0.9
DraftKings Inc.	18,568	0.8
TransUnion	16,320	1.6
Duolingo, Inc.	14,747	0.5
On Holding AG	13,829	1.3
The Cooper Companies, Inc.	13,630	1.1
Hyatt Hotels Corporation	13,552	1.9
Booz Allen Hamilton Holding Corporation	12,319	0.5
SailPoint, Inc.	12,291	0.3
IDEX Corporation	12,254	0.8
Procore Technologies, Inc.	10,952	1.0
Dayforce, Inc.	10,885	0.8
FactSet Research Systems Inc.	10,831	1.2
Morningstar, Inc.	9,786	1.0
ServiceTitan, Inc.	9,142	0.7
Bio-Techne Corporation	8,661	1.0
Birkenstock Holding plc	8,322	0.4
Floor & Decor Holdings, Inc.	7,937	0.7
Loar Holdings Inc.	7,490	1.1
StubHub Holdings, Inc.	6,194	0.3
Vail Resorts, Inc.	5,367	1.5
Choice Hotels International, Inc.	4,947	1.3
Skyrise, Inc.	1,000 <sup>^</sup>	0.2
<b>Total</b>		<b>98.1%*</b>

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

<sup>^</sup> Estimate based upon available information.

**Baron Growth Fund** is a diversified fund that invests in small-sized growth companies with market capitalizations up to the largest market cap stock in the Russell 2000 Growth Index at reconstitution, or companies with market capitalizations up to \$2.5 billion, whichever is larger.

Company	Equity Market Cap (\$M)	Percent of Net Assets (%)
IDEXX Laboratories, Inc.	51,114	3.9
MSCI Inc.	43,898	13.5
CoStar Group, Inc.	35,743	7.6
Arch Capital Group Ltd.	33,862	14.1
Mettler-Toledo International Inc.	25,288	0.9
Gartner, Inc.	19,909	6.4
Guidewire Software, Inc.	19,430	3.6
Houlihan Lokey, Inc.	14,436	1.9
Gaming and Leisure Properties, Inc.	13,191	2.8
FactSet Research Systems Inc.	10,831	4.1
Kinsale Capital Group, Inc.	9,909	7.8
Morningstar, Inc.	9,786	4.3
Primerica, Inc.	8,992	6.1
Bio-Techne Corporation	8,661	1.2

Company	Equity Market Cap (\$M)	Percent of Net Assets (%)
Red Rock Resorts, Inc.	6,441	2.9
Moelis & Company	5,611	0.5
Vail Resorts, Inc.	5,367	6.0
Clearwater Analytics Holdings, Inc.	5,270	0.1
Choice Hotels International, Inc.	4,947	6.5
Cohen & Steers, Inc.	3,346	1.9
Neogen Corp.	1,241	0.2
FIGS, Inc.	1,092	1.7
Farmers Business Network, Inc.	500 <sup>^</sup>	0.0 <sup>**</sup>
Northvolt AB	0	0.0
<b>Total</b>		<b>98.0%*</b>

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

<sup>^</sup> Estimate based upon available information.

<sup>\*\*</sup> Rounds to less than 0.1%.

## Portfolio Market Capitalization

**Baron Small Cap Fund** is a diversified fund that invests 80% of its net assets in small-sized growth companies with market capitalizations up to the largest market cap stock in the Russell 2000 Growth Index at reconstitution, or companies with market capitalizations up to \$2.5 billion, whichever is larger.

Company	Equity Market Cap (\$M)	Percent of Net Assets (%)
TransDigm Group Incorporated	74,271	2.6
Vertiv Holdings Co	57,608	7.0
Waste Connections, Inc.	45,109	0.9
DexCom, Inc.	26,388	0.5
Liberty Media Corporation - Liberty Formula One	25,871	2.5
Mettler-Toledo International Inc.	25,288	0.8
The Trade Desk	23,963	0.8
Gartner, Inc.	19,909	3.0
Guidewire Software, Inc.	19,430	4.6
DraftKings Inc.	18,568	0.9
Kratos Defense & Security Solutions, Inc.	15,423	2.9
Houlihan Lokey, Inc.	14,436	2.7
ICON plc	13,610	3.0
RBC Bearings Incorporated	12,319	2.6
Kinsale Capital Group, Inc.	9,909	4.8
Karman Holdings Inc.	9,554	1.6
Liberty Media Corporation - Liberty Live	8,872	1.3
Planet Fitness, Inc.	8,743	3.2
HealthEquity, Inc.	8,165	1.9
Floor & Decor Holdings, Inc.	7,937	0.9
Cognex Corporation	7,606	2.3
JBT Marel Corporation	7,299	2.6
Installed Building Products, Inc.	6,740	2.3
Red Rock Resorts, Inc.	6,441	4.9
Bright Horizons Family Solutions, Inc.	6,175	2.1
RadNet, Inc.	5,862	1.5
Mirion Technologies, Inc.	5,845	0.3
SiteOne Landscape Supply, Inc.	5,746	3.0
Trex Company, Inc.	5,541	0.7
JFrog Ltd.	5,525	1.3

Company	Equity Market Cap (\$M)	Percent of Net Assets (%)
Madison Square Garden Sports Corp.	5,452	1.4
Clearwater Analytics Holdings, Inc.	5,270	1.6
Enpro Inc.	4,758	1.2
Neptune Insurance Holdings Inc.	3,927	0.2
Hinge Health, Inc.	3,850	0.8
Integer Holdings Corporation	3,620	0.7
Novanta Inc.	3,603	0.8
Exponent, Inc.	3,509	0.6
ODDITY Tech Ltd.	3,478	1.9
Intapp, Inc.	3,359	1.9
The Baldwin Insurance Group, Inc.	3,348	2.3
Accelerant Holdings	3,267	0.5
Legence Corp.	3,241	1.0
nCino Inc.	3,140	1.2
Avient Corporation	3,016	0.9
The Cheesecake Factory Incorporated	2,722	1.8
First Advantage Corporation	2,678	1.5
Driven Brands Holdings Inc.	2,647	2.1
GCM Grosvenor Inc.	2,352	0.7
Inspire Medical Systems, Inc.	2,194	0.4
ASGN Incorporated	2,074	1.6
PAR Technology Corporation	1,606	1.0
Janus International Group, Inc.	1,371	0.7
Neogen Corp.	1,241	0.8
indie Semiconductor, Inc.	880	0.6
Grid Dynamics Holdings, Inc.	653	0.6
Repay Holdings Corporation	478	0.5
Holley Inc.	378	0.3
<b>Total</b>		<b>99.0%*</b>

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

**Baron Opportunity Fund** is a diversified fund that invests in high growth businesses of any market capitalization selected for their capital appreciation potential.

Company	Equity Market Cap (\$M)	Percent of Net Assets (%)
NVIDIA Corporation	4,533,894	13.2
Microsoft Corporation	3,850,009	7.5
Amazon.com, Inc.	2,341,695	6.1
Meta Platforms, Inc.	1,844,867	4.6
Broadcom Inc.	1,557,955	6.4
Tesla, Inc.	1,478,761	6.0
Taiwan Semiconductor Manufacturing Company Limited	1,448,551	2.0
Eli Lilly and Company	722,147	2.5
Visa Inc.	672,371	1.9
Mastercard Incorporated	514,211	1.8
Space Exploration Technologies Corp.	400,052 <sup>^</sup>	4.5
Shopify Inc.	193,025	1.7
ServiceNow, Inc.	191,418	1.3
Arista Networks, Inc.	183,138	0.7
Intuitive Surgical, Inc.	160,322	1.0
Spotify Technology S.A.	145,523	4.9
X.AI Holdings Corp.	104,000 <sup>^</sup>	1.2
Synopsys Inc	91,647	0.5
Snowflake Inc.	76,416	1.5
Cloudflare, Inc.	74,781	1.4
Quanta Services, Inc.	61,751	0.6
Datadog, Inc.	49,661	1.1
Zscaler, Inc.	47,436	1.4
argenx SE	45,139	2.4
Monolithic Power Systems, Inc.	44,091	1.1
Atlassian Corporation	41,895	1.1

Company	Equity Market Cap (\$M)	Percent of Net Assets (%)
CoStar Group, Inc.	35,743	2.2
LPL Financial Holdings Inc.	26,617	1.2
The Trade Desk	23,963	1.5
Samsara Inc.	23,033	1.5
Gartner, Inc.	19,909	1.6
Guidewire Software, Inc.	19,430	1.3
DraftKings Inc.	18,568	0.9
Duolingo, Inc.	14,747	1.1
Exact Sciences Corporation	10,358	1.0
Nova Ltd.	9,359	1.0
Netskope, Inc.	8,685	0.2
GDS Holdings Limited	7,755	1.4
GitLab Inc.	7,515	0.9
Arcellx, Inc.	4,553	1.1
Hinge Health, Inc.	3,850	0.8
Via Transportation, Inc.	3,823	0.4
ODDITY Tech Ltd.	3,478	0.5
Heartflow, Inc.	2,807	0.3
PAR Technology Corporation	1,606	0.4
GM Cruise Holdings LLC	1,129 <sup>^</sup>	0.0**
indie Semiconductor, Inc.	880	1.3
Farmers Business Network, Inc.	500 <sup>^</sup>	0.1
<b>Total</b>		<b>99.6 %*</b>

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

<sup>^</sup> Estimate based upon available information.

\*\* Rounds to less than 0.1%.



## Portfolio Market Capitalization

**Baron Partners Fund** is a non-diversified fund that invests primarily in U.S. companies of any size with significant growth potential.

Company	Equity Market Cap (\$M)	Percent of Net Assets (%)
Tesla, Inc.	1,478,761	33.2
Space Exploration Technologies Corp.	400,052 <sup>^</sup>	18.1
The Charles Schwab Corporation	178,158	4.9
Spotify Technology S.A.	145,523	1.8
X.AI Holdings Corp.	104,000 <sup>^</sup>	0.7
IDEXX Laboratories, Inc.	51,114	4.6
MSCI Inc.	43,898	3.0
HEICO Corporation	39,130	0.8
CoStar Group, Inc.	35,743	6.7
Arch Capital Group Ltd.	33,862	6.5
Figma, Inc.	25,410	0.3
Gartner, Inc.	19,909	3.7
Guidewire Software, Inc.	19,430	2.3
Hyatt Hotels Corporation	13,552	5.4

Company	Equity Market Cap (\$M)	Percent of Net Assets (%)
Gaming and Leisure Properties, Inc.	13,191	1.0
FactSet Research Systems Inc.	10,831	1.6
Birkenstock Holding plc	8,322	0.9
Red Rock Resorts, Inc.	6,441	1.4
StubHub Holdings, Inc.	6,194	0.2
Vail Resorts, Inc.	5,367	2.6
Choice Hotels International, Inc.	4,947	0.3
Northvolt AB	0	0.0
<b>Total</b>		<b>100.0%*</b>

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

<sup>^</sup> Estimate based upon available information.

**Baron Fifth Avenue Growth Fund** is a diversified fund that invests in large-sized growth companies with market capitalizations no smaller than the top 85<sup>th</sup> percentile by total market capitalization of the Russell 1000 Growth Index at June 30, or companies with market capitalizations above \$10 billion, whichever is smaller.

Company	Equity Market Cap (\$M)	Percent of Net Assets (%)
NVIDIA Corporation	4,533,894	12.7
Alphabet Inc.	2,942,686	4.9
Amazon.com, Inc.	2,341,695	8.2
Meta Platforms, Inc.	1,844,867	8.6
Tesla, Inc.	1,478,761	4.3
Taiwan Semiconductor Manufacturing Company Limited	1,448,551	4.9
Eli Lilly and Company	722,147	0.8
Space Exploration Technologies Corp.	400,052 <sup>^</sup>	1.5
ASML Holding N.V.	377,369	2.8
Shopify Inc.	193,025	5.2
ServiceNow, Inc.	191,418	2.7
Intuitive Surgical, Inc.	160,322	2.5
CrowdStrike Holdings, Inc.	123,063	2.0
MercadoLibre, Inc.	118,477	4.3
KKR & Co. Inc.	115,779	3.3
X.AI Holdings Corp.	104,000 <sup>^</sup>	0.8
Snowflake Inc.	76,416	3.1
Cloudflare, Inc.	74,781	3.8

Company	Equity Market Cap (\$M)	Percent of Net Assets (%)
Coupang, Inc.	58,703	2.7
Adyen N.V.	50,382	1.7
Datadog, Inc.	49,661	3.1
Veeva Systems Inc.	48,830	1.2
argenx SE	45,139	3.1
Block, Inc.	44,055	2.1
Atlassian Corporation	41,895	0.7
Figma, Inc.	25,410	0.3
The Trade Desk	23,963	0.3
Samsara Inc.	23,033	2.5
Illumina, Inc.	14,597	1.0
Grail, Inc.	2,132	0.0**
GM Cruise Holdings LLC	1,129 <sup>^</sup>	0.0**
<b>Total</b>		<b>95.3%*</b>

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

<sup>^</sup> Estimate based upon available information.

\*\* Rounds to less than 0.1%.

## Portfolio Market Capitalization

**Baron Focused Growth Fund** is a non-diversified fund that invests in small and mid-sized growth companies with market capitalizations up to the largest market cap stock in the Russell Midcap Growth Index at reconstitution.

Company	Equity Market Cap (\$M)	Percent of Net Assets (%)
Tesla, Inc.	1,478,761	9.7
Space Exploration Technologies Corp.	400,052 <sup>^</sup>	11.6
Shopify Inc.	193,025	3.6
Spotify Technology S.A.	145,523	6.5
Interactive Brokers Group, Inc.	116,965	5.3
X.AI Holdings Corp.	104,000 <sup>^</sup>	2.2
Airbnb, Inc.	75,455	0.9
IDEXX Laboratories, Inc.	51,114	5.4
MSCI Inc.	43,898	4.6
Live Nation Entertainment, Inc.	38,313	1.5
Las Vegas Sands Corporation	36,924	1.7
CoStar Group, Inc.	35,743	4.0
Verisk Analytics, Inc.	35,140	2.1
Arch Capital Group Ltd.	33,862	2.9
Figma, Inc.	25,410	0.3
Samsara Inc.	23,033	1.4
Guidewire Software, Inc.	19,430	4.5
Duolingo, Inc.	14,747	1.3

Company	Equity Market Cap (\$M)	Percent of Net Assets (%)
On Holding AG	13,829	4.4
Hyatt Hotels Corporation	13,552	3.9
Jefferies Financial Group Inc.	13,495	1.1
Toll Brothers, Inc.	13,314	1.4
FactSet Research Systems Inc.	10,831	1.3
Neuralink Corp.	9,651 <sup>^</sup>	0.2
Birkenstock Holding plc	8,322	4.1
Red Rock Resorts, Inc.	6,441	4.3
Vail Resorts, Inc.	5,367	3.9
Choice Hotels International, Inc.	4,947	2.4
Douglas Emmett, Inc.	2,607	0.8
FIGS, Inc.	1,092	2.0
<b>Total</b>		<b>99.4%*</b>

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

<sup>^</sup> Estimate based upon available information.

**Baron International Growth Fund** is a diversified fund that invests in non-U.S. companies with significant growth potential. Investments may be made across all market capitalizations. The Fund invests principally in companies of developed countries and may invest up to 35% in companies of developing countries.

Company	Equity Market Cap (\$M)	Percent of Net Assets (%)
Taiwan Semiconductor Manufacturing Company Limited	1,448,551	3.9
Tencent Holdings Limited	780,239	1.6
Alibaba Group Holding Limited	426,106	1.2
LVMH Moët Hennessy Louis Vuitton SE	305,862	0.4
Contemporary Amperex Technology Co., Limited	260,257	1.5
Novo Nordisk A/S	247,763	0.3
AstraZeneca PLC	237,938	1.6
Nestle S.A.	236,501	0.7
Linde plc	223,953	1.9
Reliance Industries Limited	207,896	0.7
Mitsubishi UFJ Financial Group, Inc.	192,359	2.0
SK hynix Inc.	183,810	0.4
Airbus SE	183,618	1.6
Industria de Diseno Textil, S.A.	171,868	0.8
Prosus N.V.	167,867	0.9
EssilorLuxottica SA	150,077	0.8
BYD Company Limited	135,511	0.5
TotalEnergies SE	134,014	1.1
Bharti Airtel Limited	126,852	1.0
Compagnie Financiere Richemont SA	112,615	0.5
Sumitomo Mitsui Financial Group, Inc.	106,918	1.8
BNP Paribas S.A.	102,666	2.5
Keyence Corporation	91,060	1.3
Agnico Eagle Mines Limited	84,688	1.0
Tokyo Electron Limited	84,517	1.3
BAE Systems plc	83,234	1.2
Recruit Holdings Co., Ltd.	82,413	0.4
Deutsche Bank AG	68,988	2.1
Coupang, Inc.	58,703	0.8
Constellation Software Inc.	58,320	1.8
Universal Music Group N.V.	52,887	1.7
Kuaishou Technology	46,975	0.6
Experian plc	45,930	1.9
argenx SE	45,139	2.8
Agilent Technologies, Inc.	36,387	1.5
Tencent Music Entertainment Group	36,151	0.6
Eternal Limited	35,378	0.7
Sberbank of Russia PJSC	34,657 <sup>†</sup>	0.0**
Arch Capital Group Ltd.	33,862	1.8
HD Hyundai Heavy Industries Co., Ltd.	33,344	1.2
Ajinomoto Co., Inc.	29,053	2.0
Pernod Ricard SA	24,743	0.5
Epiroc AB	24,709	1.5
InterGlobe Aviation Limited	24,357	0.8
CyberArk Software Ltd.	23,896	1.1
Nomura Holdings, Inc.	22,697	1.6

Company	Equity Market Cap (\$M)	Percent of Net Assets (%)
DSM-Firmenich AG	22,620	0.3
HD Korea Shipbuilding & Offshore Engineering Co., Ltd.	21,312	2.0
Credicorp Ltd.	21,152	1.5
Jio Financial Services Limited	20,980	0.4
WiseTech Global Limited	20,073	0.7
Trent Limited	18,728	0.5
Bank of Ireland Group plc	15,725	2.0
On Holding AG	13,829	0.7
Full Truck Alliance Co. Ltd.	13,565	1.3
Godrej Consumer Products Limited	13,446	0.5
Eurofins Scientific SE	13,213	1.4
Lundin Mining Corporation	12,771	2.3
Max Healthcare Institute Limited	12,206	0.7
Symrise AG	12,183	1.0
Sociedad Quimica y Minera de Chile S.A.	12,075	0.3
Japan Exchange Group, Inc.	11,475	1.1
Lynas Rare Earths Limited	11,119	2.4
Piraeus Financial Holdings S.A.	10,590	0.9
XP Inc.	10,098	0.5
Wix.com Ltd.	9,888	0.6
Localiza Rent a Car S.A.	8,025	0.4
Kingdee International Software Group Company Limited	7,991	1.0
Pony AI Inc.	7,991	0.6
Stevanato Group S.p.A.	7,798	0.9
GDS Holdings Limited	7,755	0.5
Godrej Properties Limited	6,679	0.3
Nippon Life India Asset Management Limited	6,226	0.6
InPost S.A.	6,134	1.0
Zhejiang Shuanghuan Driveline Co., Ltd.	5,932	0.8
Kaynes Technology India Limited	5,324	0.9
eMemory Technology Inc.	4,938	0.4
Zai Lab Limited	3,788	0.9
ODDITY Tech Ltd.	3,478	1.6
JM Financial Limited	1,720	0.5
Afya Limited	1,410	0.4
Park Systems Corporation	1,299	0.6
ISC Co., Ltd.	1,212	0.5
eDreams ODIGEO SA	1,195	2.6
AMG Critical Materials N.V.	1,095	1.6
SMS Co., Ltd.	909	0.5
Waga Energy SA	631	2.0
Centum Electronics Limited	442	0.8
<b>Total</b>		<b>98.5 %*</b>

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

\*\* Rounds to less than 0.1%.

<sup>†</sup> Source: FactSet PA.

## Portfolio Market Capitalization

**Baron Real Estate Fund** is a diversified fund that invests 80% of its net assets in equity securities of U.S. and non-U.S. real estate and real estate-related companies of any size. The Fund's investment in non-U.S. companies will not exceed 35%.

Company	Equity Market Cap (\$M)	Percent of Net Assets (%)
Blackstone Inc.	211,038	3.4
Lowe's Companies, Inc.	140,941	2.5
Welltower Inc.	119,145	5.3
Brookfield Corporation	112,913	5.4
Prologis, Inc.	108,740	2.8
Brookfield Asset Management Ltd.	93,133	2.1
American Tower Corporation	90,054	3.2
CRH public limited company	80,461	3.8
Equinix, Inc.	76,651	3.2
Airbnb, Inc.	75,455	1.8
Simon Property Group, Inc.	61,273	1.2
Hilton Worldwide Holdings Inc.	61,019	2.4
Digital Realty Trust, Inc.	60,100	1.5
D.R. Horton, Inc.	50,523	1.4
CBRE Group, Inc.	46,883	5.3
Goodman Group	44,664	0.5
Vulcan Materials Company	40,644	2.8
Las Vegas Sands Corporation	36,924	0.7
CoStar Group, Inc.	35,743	3.1
Iron Mountain Incorporated	30,108	1.2
Equity Residential	24,720	1.1
Jones Lang LaSalle Incorporated	14,133	6.4

Company	Equity Market Cap (\$M)	Percent of Net Assets (%)
Hyatt Hotels Corporation	13,552	2.7
Builders FirstSource, Inc.	13,404	0.3
Wynn Resorts, Limited	13,337	4.1
Toll Brothers, Inc.	13,314	4.7
American Homes 4 Rent	12,333	1.0
BXP, Inc.	11,774	1.4
Advanced Drainage Systems, Inc.	10,784	1.7
Floor & Decor Holdings, Inc.	7,937	0.7
Vornado Realty Trust	7,783	2.0
GDS Holdings Limited	7,755	2.8
AAON, Inc.	7,618	1.3
Installed Building Products, Inc.	6,740	0.9
Taylor Morrison Home Corporation	6,525	2.5
Red Rock Resorts, Inc.	6,441	1.4
Louisiana-Pacific Corporation	6,187	2.6
SiteOne Landscape Supply, Inc.	5,746	3.1
Trex Company, Inc.	5,541	0.8
The Macerich Company	4,600	1.7
Legence Corp.	3,241	0.2
Blackstone Mortgage Trust, Inc.	3,159	1.0
<b>Total</b>		<b>98.2%*</b>

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



**Baron Emerging Markets Fund** is a diversified fund that invests 80% of its net assets in non-U.S. companies of all sizes domiciled, headquartered or whose primary business activities or principal trading markets are in developing countries. The Fund may invest up to 20% in companies in developed market countries and in Frontier Countries.

Company	Equity Market Cap (\$M)	Percent of Net Assets (%)
Taiwan Semiconductor Manufacturing Company Limited	1,448,551	10.3
Tencent Holdings Limited	780,239	5.6
Alibaba Group Holding Limited	426,106	4.2
Samsung Electronics Co., Ltd.	358,203	1.7
Contemporary Amperex Technology Co., Limited	260,257	3.3
Reliance Industries Limited	207,896	1.0
SK hynix Inc.	183,810	1.3
HDFC Bank Limited	164,522	0.6
BYD Company Limited	135,511	1.0
Bharti Airtel Limited	126,852	2.1
MercadoLibre, Inc.	118,477	0.9
Delta Electronics, Inc.	72,784	1.9
Bajaj Finance Limited	70,005	2.2
Grupo Mexico, S.A.B. de C.V.	67,896	1.7
Coupang, Inc.	58,703	1.6
Naspers Limited	54,759	0.7
Samsung Biologics Co., Ltd.	51,134	0.6
Mahindra & Mahindra Limited	47,997	0.7
Kuaishou Technology	46,975	1.0
Kotak Mahindra Bank Limited	44,630	0.8
Banco BTG Pactual S.A.	42,411	1.1
Gold Fields Limited	37,555	0.5
Tencent Music Entertainment Group	36,151	1.0
Eternal Limited	35,378	1.1
Sberbank of Russia PJSC	34,657 <sup>†</sup>	0.0**
HD Hyundai Heavy Industries Co., Ltd.	33,344	1.6
Bharat Electronics Limited	33,256	0.4
Doosan Enerbility Co., Ltd.	29,562	0.6
Power Grid Corporation of India Limited	29,356	0.8
S.F. Holding Co., Ltd.	28,333	1.0
Zhejiang Sanhua Intelligent Controls Co., Ltd.	28,072	1.7
Fuyao Glass Industry Group Co., Ltd.	26,762	1.0
InterGlobe Aviation Limited	24,357	1.3
XPeng Inc.	22,860	0.8
KE Holdings Inc.	22,474	0.8
WuXi Biologics (Cayman) Inc.	21,522	0.4
HD Korea Shipbuilding & Offshore Engineering Co., Ltd.	21,312	3.0
Credicorp Ltd.	21,152	1.8
Jio Financial Services Limited	20,980	0.5
SBI Life Insurance Company Limited	20,219	1.0
Trent Limited	18,728	0.9
Jiangsu Hengli Hydraulic Co., Ltd.	18,039	1.4
Cholamandalam Investment and Finance Company Limited	15,265	0.5
Full Truck Alliance Co. Ltd.	13,565	1.9
Godrej Consumer Products Limited	13,446	0.9
Tata Consumer Products Limited	12,586	0.3

Company	Equity Market Cap (\$M)	Percent of Net Assets (%)
Cummins India Limited	12,259	0.7
Max Healthcare Institute Limited	12,206	1.3
BDO Unibank, Inc.	12,178	0.8
Sociedad Quimica y Minera de Chile S.A.	12,075	0.6
Swiggy Limited	11,879	1.9
Dino Polska S.A.	11,801	0.2
Piraeus Financial Holdings S.A.	10,590	0.9
XP Inc.	10,098	0.8
SRF Limited	9,427	0.4
E Ink Holdings Inc.	9,061	0.7
HYUNDAI Glovis Co., Ltd.	8,825	0.7
Hanwha Systems Co., Ltd.	8,146	0.7
Chroma ATE Inc.	8,080	0.6
Localiza Rent a Car S.A.	8,025	1.0
Kingdee International Software Group Company Limited	7,991	2.0
Pony AI Inc.	7,991	1.2
GDS Holdings Limited	7,755	0.9
China Mengniu Dairy Company Limited	7,525	0.7
Korea Aerospace Industries, Ltd.	7,475	0.9
Talabat Holding plc	7,101	0.2
Godrej Properties Limited	6,679	0.4
ASPEED Technology Inc.	6,264	0.6
Nippon Life India Asset Management Limited	6,226	1.0
InPost S.A.	6,134	0.9
Zhejiang Shuanghuan Driveline Co., Ltd.	5,932	1.5
Kaynes Technology India Limited	5,324	1.3
Tata Communications Limited	5,179	0.4
eMemory Technology Inc.	4,938	0.5
Inter & Co, Inc.	4,088	0.3
Zai Lab Limited	3,788	1.0
Pine Labs Limited	3,300 <sup>^</sup>	1.2
Nuvama Wealth Management Limited	2,561	0.4
GPS Participacoes e Empreendimentos S.A.	2,405	0.9
HPSP Co., Ltd.	2,032	0.3
JM Financial Limited	1,720	1.1
Afya Limited	1,410	0.4
Park Systems Corporation	1,299	0.5
ISC Co., Ltd.	1,212	0.8
Codere Online Luxembourg, S.A.	315	0.4
DCW Limited	226	0.1
Think & Learn Private Limited	22 <sup>^</sup>	0.0**
<b>Total</b>		<b>100.7%*</b>

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

<sup>^</sup> Estimate based upon available information.

\*\* Rounds to less than 0.1%.

<sup>†</sup> Source: FactSet PA.

## Portfolio Market Capitalization

**Baron Global Opportunity Fund** is a diversified fund that invests primarily in established and emerging markets companies located throughout the world with capitalization within the range of companies included in the MSCI ACWI Index.

Company	Equity Market Cap (\$M)	Percent of Net Assets (%)
NVIDIA Corporation	4,533,894	10.0
Tesla, Inc.	1,478,761	1.9
Taiwan Semiconductor Manufacturing Company Limited	1,448,551	3.9
Space Exploration Technologies Corp.	400,052 <sup>^</sup>	10.4
ASML Holding N.V.	377,369	3.3
Shopify Inc.	193,025	5.7
PDD Holdings Inc.	187,635	1.0
CrowdStrike Holdings, Inc.	123,063	1.2
MercadoLibre, Inc.	118,477	8.0
Nu Holdings Ltd.	77,366	2.8
Snowflake Inc.	76,416	3.2
Cloudflare, Inc.	74,781	4.2
Bajaj Finance Limited	70,005	3.4
Coupang, Inc.	58,703	5.4
Adyen N.V.	50,382	2.2
Datadog, Inc.	49,661	3.3
Zscaler, Inc.	47,436	2.9
argenx SE	45,139	3.6
Block, Inc.	44,055	1.9
Eternal Limited	35,378	3.6
Figma, Inc.	25,410	0.3
Illumina, Inc.	14,597	1.3
SailPoint, Inc.	12,291	0.5
Wix.com Ltd.	9,888	2.3

Company	Equity Market Cap (\$M)	Percent of Net Assets (%)
ServiceTitan, Inc.	9,142	0.5
Netskope, Inc.	8,685	0.8
GDS Holdings Limited	7,755	2.2
Loar Holdings Inc.	7,490	1.7
InPost S.A.	6,134	1.5
BILL Holdings, Inc.	5,383	0.3
Viking Therapeutics, Inc.	2,955	0.3
Heartflow, Inc.	2,807	0.7
Grail, Inc.	2,132	0.0
Afya Limited	1,410	1.0
GM Cruise Holdings LLC	1,129 <sup>^</sup>	0.1
Taboola.com Ltd.	1,012	0.0**
indie Semiconductor, Inc.	880	0.9
Fiverr International Ltd.	877	1.0
Farmers Business Network, Inc.	500 <sup>^</sup>	0.1
Endava plc	494	0.2
Codere Online Luxembourg, S.A.	315	1.3
Think & Learn Private Limited	22 <sup>^</sup>	0.0**
<b>Total</b>		<b>98.9%*</b>

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

<sup>^</sup> Estimate based upon available information.

\*\* Rounds to less than 0.1%.

**Baron Discovery Fund** is a diversified fund that invests in small-sized growth companies with market capitalizations up to the largest market cap stock in the Russell 2000 Growth Index at reconstitution, or companies with market capitalizations up to \$2.5 billion, whichever is larger.

Company	Equity Market Cap (\$M)	Percent of Net Assets (%)
Liberty Media Corporation - Liberty Formula One	25,871	0.9
Guidewire Software, Inc.	19,430	2.0
DraftKings Inc.	18,568	2.7
Kratos Defense & Security Solutions, Inc.	15,423	3.0
Dynatrace, Inc.	14,608	2.5
Tempus AI, Inc.	14,022	0.9
On Holding AG	13,829	0.8
Wynn Resorts, Limited	13,337	2.4
RBC Bearings Incorporated	12,319	1.1
Texas Roadhouse, Inc.	11,041	1.6
Procore Technologies, Inc.	10,952	1.9
Exact Sciences Corporation	10,358	3.8
Kinsale Capital Group, Inc.	9,909	1.7
Karman Holdings Inc.	9,554	3.2
Nova Ltd.	9,359	0.6
ServiceTitan, Inc.	9,142	1.9
Liberty Media Corporation - Liberty Live	8,872	3.6
Netskope, Inc.	8,685	1.5
Birkenstock Holding plc	8,322	1.7
Primo Brands Corporation	8,255	1.8
Masimo Corporation	8,016	2.1
Floor & Decor Holdings, Inc.	7,937	1.4
SiTime Corporation	7,835	2.0
Stevanato Group S.p.A.	7,798	1.7
StepStone Group Inc.	7,710	1.3
AAON, Inc.	7,618	1.6
Repligen Corporation	7,520	1.9
GitLab Inc.	7,515	2.1
Loar Holdings Inc.	7,490	2.6
Brunello Cucinelli S.p.A.	7,466	1.0

Company	Equity Market Cap (\$M)	Percent of Net Assets (%)
Wingstop Inc.	7,028	1.5
Varonis Systems, Inc.	6,439	1.2
Advanced Energy Industries, Inc.	6,418	2.5
SentinelOne, Inc.	5,968	1.9
SiteOne Landscape Supply, Inc.	5,746	2.0
Trex Company, Inc.	5,541	1.0
Clearwater Analytics Holdings, Inc.	5,270	1.8
Badger Meter, Inc.	5,263	1.3
Mercury Systems, Inc.	4,646	3.7
Arcellx, Inc.	4,553	0.7
Independence Realty Trust, Inc.	3,832	0.9
Integer Holdings Corporation	3,620	1.6
Novanta Inc.	3,603	1.2
Intapp, Inc.	3,359	1.2
Heartflow, Inc.	2,807	0.9
Veracyte, Inc.	2,701	0.8
Alkami Technology Inc.	2,585	2.2
Ramaco Resources, Inc.	2,398	0.8
Enerpac Tool Group Corp.	2,211	0.8
PAR Technology Corporation	1,606	0.8
TWFG, Inc.	1,542	1.1
Establishment Labs Holdings Inc.	1,188	1.8
ARS Pharmaceuticals, Inc.	993	0.6
Montrose Environmental Group, Inc.	969	2.1
Ategrity Specialty Insurance Company Holdings	950	0.6
indie Semiconductor, Inc.	880	1.1
CareDx, Inc.	774	1.7
<b>Total</b>		<b>95.2%*</b>

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

## Portfolio Market Capitalization

**Baron Durable Advantage Fund** is a diversified fund that invests primarily in large-sized companies with market capitalizations no smaller than the top 90th percentile by market capitalization of the S&P 500 Index at June 30, or companies with market capitalizations above \$10 billion, whichever is smaller.

Company	Equity Market Cap (\$M)	Percent of Net Assets (%)
NVIDIA Corporation	4,533,894	8.1
Microsoft Corporation	3,850,009	5.5
Alphabet Inc.	2,942,686	5.4
Amazon.com, Inc.	2,341,695	6.8
Meta Platforms, Inc.	1,844,867	8.0
Broadcom Inc.	1,557,955	6.5
Taiwan Semiconductor Manufacturing Company Limited	1,448,551	6.1
Visa Inc.	672,371	4.1
Mastercard Incorporated	514,211	2.6
Costco Wholesale Corporation	410,496	1.1
Blackstone Inc.	211,038	3.1
Intuit Inc.	190,399	2.6
Thermo Fisher Scientific Inc.	183,149	1.4
S&P Global Inc.	152,097	3.6
Amphenol Corporation	151,089	1.3
Danaher Corporation	141,964	1.1

Company	Equity Market Cap (\$M)	Percent of Net Assets (%)
Welltower Inc.	119,145	2.0
Brookfield Corporation	112,913	3.3
CME Group, Inc.	97,371	2.1
Moody's Corporation	85,290	2.9
Apollo Global Management, Inc.	76,681	2.8
TransDigm Group Incorporated	74,271	1.8
Monolithic Power Systems, Inc.	44,091	4.3
MSCI Inc.	43,898	1.8
HEICO Corporation	39,130	3.1
CoStar Group, Inc.	35,743	2.0
Arch Capital Group Ltd.	33,862	1.5
LPL Financial Holdings Inc.	26,617	3.0
Mettler-Toledo International Inc.	25,288	1.0
Texas Roadhouse, Inc.	11,041	1.0
<b>Total</b>		<b>99.9%*</b>

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

**Baron Real Estate Income Fund** is a non-diversified fund that under normal circumstances, invests at least 80% of its net assets in real estate income-producing securities and other real estate securities of any market capitalization, including common stocks and equity securities, debt and preferred securities, non-U.S. real estate income-producing securities, and any other real estate-related yield securities.

Company	Equity Market Cap (\$M)	Percent of Net Assets (%)
Blackstone Inc.	211,038	1.9
Welltower Inc.	119,145	8.8
Brookfield Corporation	112,913	3.5
Prologis, Inc.	108,740	8.7
Brookfield Asset Management Ltd.	93,133	1.1
American Tower Corporation	90,054	6.8
CRH public limited company	80,461	2.7
Equinix, Inc.	76,651	4.8
Simon Property Group, Inc.	61,273	4.3
Digital Realty Trust, Inc.	60,100	2.5
Goodman Group	44,664	1.1
Las Vegas Sands Corporation	36,924	0.3
VICI Properties Inc.	34,774	2.0
Ventas, Inc.	31,808	3.0
Iron Mountain Incorporated	30,108	4.0
Equity Residential	24,720	2.1
Invitation Homes Inc.	17,980	1.9
Jones Lang LaSalle Incorporated	14,133	3.5
Wynn Resorts, Limited	13,337	2.7

Company	Equity Market Cap (\$M)	Percent of Net Assets (%)
Toll Brothers, Inc.	13,314	1.7
UDR, Inc.	12,346	0.8
American Homes 4 Rent	12,333	1.9
BXP, Inc.	11,774	1.6
Host Hotels & Resorts, Inc.	11,702	2.0
EastGroup Properties, Inc.	9,027	3.6
Agree Realty Corporation	7,862	1.3
Vornado Realty Trust	7,783	2.1
GDS Holdings Limited	7,755	2.7
American Healthcare REIT, Inc.	7,178	2.1
Terreno Realty Corporation	5,862	1.0
Vail Resorts, Inc.	5,367	1.7
Kilroy Realty Corporation	4,998	0.7
The Macerich Company	4,600	3.3
Independence Realty Trust, Inc.	3,832	0.7
Blackstone Mortgage Trust, Inc.	3,159	2.0
SmartStop Self Storage REIT, Inc.	2,087	1.8
<b>Total</b>		<b>96.9%*</b>

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



## Portfolio Market Capitalization

**Baron Health Care Fund** is a non-diversified fund that under normal circumstances, invests at least 80% of its net assets in equity securities in the form of common stock of companies engaged in the research, development, production, sale, delivery or distribution of products and services related to the health care industry.

Company	Equity Market Cap (\$M)	Percent of Net Assets (%)
Eli Lilly and Company	722,147	9.2
AbbVie Inc.	409,029	3.6
UnitedHealth Group Incorporated	312,729	1.1
AstraZeneca PLC	237,938	3.5
Thermo Fisher Scientific Inc.	183,149	3.2
Intuitive Surgical, Inc.	160,322	3.5
Boston Scientific Corporation	144,663	5.1
Danaher Corporation	141,964	2.5
Stryker Corporation	141,328	4.9
Gilead Sciences, Inc.	137,730	2.0
Vertex Pharmaceuticals Incorporated	100,413	1.5
McKesson Corporation	96,092	3.0
CVS Health Corporation	95,619	0.7
Alnylam Pharmaceuticals, Inc.	59,772	1.2
UCB S.A.	53,665	0.8
IDEXX Laboratories, Inc.	51,114	2.8
Edwards Lifesciences Corporation	45,659	1.6
argenx SE	45,139	6.8
Insmmed Incorporated	30,440	4.1
DexCom, Inc.	26,388	0.4
Mettler-Toledo International Inc.	25,288	3.2
BioNTech SE	23,445	0.3
Teva Pharmaceutical Industries Limited	23,166	1.6
Natera, Inc.	22,093	0.4

Company	Equity Market Cap (\$M)	Percent of Net Assets (%)
Insulet Corporation	21,732	1.3
West Pharmaceutical Services, Inc.	18,864	0.8
Tenet Healthcare Corporation	17,939	0.5
Doximity, Inc.	13,701	1.5
Encompass Health Corporation	12,794	1.6
Ascendis Pharma A/S	11,061	0.8
Ionis Pharmaceuticals, Inc.	10,427	1.2
Exact Sciences Corporation	10,358	0.4
Roivant Sciences Ltd.	10,332	1.2
Madrigal Pharmaceuticals, Inc.	10,223	0.9
Penumbra, Inc.	9,879	2.5
HealthEquity, Inc.	8,165	0.7
Masimo Corporation	8,016	1.8
Merus N.V.	7,121	0.3
Cytokinetics, Incorporated	6,576	1.0
Abivax S.A.	6,574	0.9
RadNet, Inc.	5,862	3.4
Arcellx, Inc.	4,553	3.6
Kymera Therapeutics, Inc.	4,047	0.3
Xenon Pharmaceuticals Inc.	3,096	0.9
Heartflow, Inc.	2,807	0.7
Cidara Therapeutics, Inc.	2,428	1.2
<b>Total</b>		<b>94.8%*</b>

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

**Baron FinTech Fund** is a diversified fund that, under normal circumstances, invests at least 80% of its net assets in securities of companies that develop, use, or rely on innovative technologies or services, in a significant way, for banking, lending, capital markets, financial data analytics, insurance, payments, asset management, or wealth management. The Fund may purchase securities of companies of any market capitalization and may invest in foreign stocks, including emerging market securities.

Company	Equity Market Cap (\$M)	Percent of Net Assets (%)
Visa Inc.	672,371	4.6
Mastercard Incorporated	514,211	4.6
Shopify Inc.	193,025	2.5
Intuit Inc.	190,399	3.8
BlackRock Inc.	190,254	1.8
The Charles Schwab Corporation	178,158	2.6
S&P Global Inc.	152,097	4.3
The Progressive Corporation	144,764	2.3
Capital One Financial Corporation	135,949	1.2
Robinhood Markets, Inc.	127,241	4.2
MercadoLibre, Inc.	118,477	4.4
Interactive Brokers Group, Inc.	116,965	4.1
KKR & Co. Inc.	115,779	3.3
CME Group, Inc.	97,371	2.7
Moody's Corporation	85,290	2.7
Nu Holdings Ltd.	77,366	2.9
Apollo Global Management, Inc.	76,681	2.9
Fiserv, Inc.	70,086	0.9
Block, Inc.	44,055	1.3
MSCI Inc.	43,898	2.6
Fair Isaac Corporation	35,922	2.7
CoStar Group, Inc.	35,743	1.0
Verisk Analytics, Inc.	35,140	2.2
Arch Capital Group Ltd.	33,862	1.8

Company	Equity Market Cap (\$M)	Percent of Net Assets (%)
Equifax Inc.	31,758	1.3
LPL Financial Holdings Inc.	26,617	3.7
Tradeweb Markets Inc.	24,244	2.8
Guidewire Software, Inc.	19,430	4.1
TransUnion	16,320	1.2
Houlihan Lokey, Inc.	14,436	2.9
Wise plc	14,268	2.4
FactSet Research Systems Inc.	10,831	1.2
Jack Henry & Associates, Inc.	10,822	1.3
Kinsale Capital Group, Inc.	9,909	1.0
Morningstar, Inc.	9,786	1.7
ServiceTitan, Inc.	9,142	1.1
Primerica, Inc.	8,992	1.1
BILL Holdings, Inc.	5,383	0.2
Clearwater Analytics Holdings, Inc.	5,270	0.7
Neptune Insurance Holdings Inc.	3,927	0.2
Intapp, Inc.	3,359	0.9
The Baldwin Insurance Group, Inc.	3,348	0.4
Accelerant Holdings	3,267	0.4
Alkami Technology Inc.	2,585	1.1
TWFG, Inc.	1,542	0.6
Ategrity Specialty Insurance Company Holdings	950	0.6
<b>Total</b>		<b>98.5%*</b>

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

## Portfolio Market Capitalization

**Baron India Fund** is a diversified fund that, under normal circumstances, invests at least 80% of its net assets in equities of companies located in India.

Company	Equity Market Cap (\$M)	Percent of Net Assets (%)
Reliance Industries Limited	207,896	4.5
HDFC Bank Limited	164,522	4.8
Bharti Airtel Limited	126,852	7.4
Tata Consultancy Services Limited	117,701	2.2
ICICI Bank Limited	107,977	6.3
Bajaj Finance Limited	70,005	4.9
Mahindra & Mahindra Limited	47,997	3.0
Kotak Mahindra Bank Limited	44,630	2.4
Bajaj Finserv Limited	36,107	2.5
Eternal Limited	35,378	4.7
Titan Company Limited	33,666	0.6
Bharat Electronics Limited	33,256	3.3
Power Grid Corporation of India Limited	29,356	2.3
InterGlobe Aviation Limited	24,357	4.1
Jio Financial Services Limited	20,980	0.4
SBI Life Insurance Company Limited	20,219	2.5
Trent Limited	18,728	2.2
Cholamandalam Investment and Finance Company Limited	15,265	3.1
Siemens Energy India Limited	13,769	1.4
Godrej Consumer Products Limited	13,446	1.9
Tata Consumer Products Limited	12,586	2.0
Cummins India Limited	12,259	1.7

Company	Equity Market Cap (\$M)	Percent of Net Assets (%)
Max Healthcare Institute Limited	12,206	5.8
Dixon Technologies (India) Limited	11,124	1.0
SRF Limited	9,427	0.4
Godrej Properties Limited	6,679	0.7
Coforge Limited	5,996	0.8
Kaynes Technology India Limited	5,324	2.0
Tata Communications Limited	5,179	0.7
360 ONE WAM Limited	4,668	0.8
Aster DM Healthcare Limited	3,659	3.3
Nuvama Wealth Management Limited	2,561	0.8
Kirloskar Oil Engines Limited	1,503	0.8
Shaily Engineering Plastics Limited	1,127	1.7
Astra Microwave Products Limited	1,052	1.0
HealthCare Global Enterprises Limited	1,022	1.5
GMR Power and Urban Infra Limited	913	0.9
Tips Music Limited	846	0.2
Centum Electronics Limited	442	3.1
Precision Wires India Limited	372	3.0
DCW Limited	226	0.4
<b>Total</b>		<b>97.0%*</b>

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

**Baron Technology Fund** is a non-diversified fund that, under normal market conditions, invests at least 80% of its net assets in equity securities of U.S. and non-U.S. technology companies of any market capitalization, selected for their durable growth potential from the development, advancement and use of technology.

Company	Equity Market Cap (\$M)	Percent of Net Assets (%)
NVIDIA Corporation	4,533,894	14.1
Microsoft Corporation	3,850,009	4.5
Apple Inc.	3,778,809	2.2
Amazon.com, Inc.	2,341,695	7.0
Broadcom Inc.	1,557,955	9.2
Tesla, Inc.	1,478,761	5.2
Taiwan Semiconductor Manufacturing Company Limited	1,448,551	6.5
Shopify Inc.	193,025	1.3
ServiceNow, Inc.	191,418	0.9
Arista Networks, Inc.	183,138	1.0
Lam Research Corporation	168,852	1.8
Spotify Technology S.A.	145,523	4.8
Synopsys Inc	91,647	0.6
Snowflake Inc.	76,416	1.1
Cloudflare, Inc.	74,781	1.4
Quanta Services, Inc.	61,751	1.0
Axon Enterprise, Inc.	56,338	0.8
Datadog, Inc.	49,661	1.1
Zscaler, Inc.	47,436	1.9
Monolithic Power Systems, Inc.	44,091	1.1
Atlassian Corporation	41,895	1.0
CoStar Group, Inc.	35,743	1.2
Eternal Limited	35,378	2.9
The Trade Desk	23,963	2.0

Company	Equity Market Cap (\$M)	Percent of Net Assets (%)
Samsara Inc.	23,033	2.1
Gartner, Inc.	19,909	1.1
Guidewire Software, Inc.	19,430	1.0
DraftKings Inc.	18,568	0.7
Zillow Group, Inc.	18,528	0.9
Coherent Corp.	16,783	2.0
Duolingo, Inc.	14,747	2.7
Lumentum Holdings Inc.	11,373	2.0
Nova Ltd.	9,359	1.1
ServiceTitan, Inc.	9,142	0.5
Netskope, Inc.	8,685	0.2
GDS Holdings Limited	7,755	1.6
AAON, Inc.	7,618	1.0
eMemory Technology Inc.	4,938	0.7
Hinge Health, Inc.	3,850	1.2
Via Transportation, Inc.	3,823	0.4
ODDITY Tech Ltd.	3,478	1.0
Intapp, Inc.	3,359	0.9
Heartflow, Inc.	2,807	0.3
HPSP Co., Ltd.	2,032	1.3
PAR Technology Corporation	1,606	1.3
indie Semiconductor, Inc.	880	1.5
<b>Total</b>		<b>100.1%*</b>

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

# Portfolio of Investments

## Baron Asset Fund

Shares	Cost	Value
<b>Common Stocks (88.43%)</b>		
<b>Communication Services (2.49%)</b>		
<b>Advertising (0.65%)</b>		
500,000 The Trade Desk, Inc., Cl A <sup>1</sup>	\$ 11,173,716	\$ 24,505,000
<b>Movies &amp; Entertainment (1.84%)</b>		
100,000 Spotify Technology SA <sup>1,2</sup>	24,563,323	69,800,000
<b>Total Communication Services</b>	<b>35,737,039</b>	<b>94,305,000</b>
<b>Consumer Discretionary (9.41%)</b>		
<b>Casinos &amp; Gaming (0.81%)</b>		
825,000 DraftKings, Inc., Cl A <sup>1</sup>	33,704,322	30,855,000
<b>Education Services (0.47%)</b>		
55,000 Duolingo, Inc. <sup>1</sup>	17,197,613	17,701,200
<b>Footwear (1.72%)</b>		
366,069 Birkenstock Holding PLC <sup>1,2</sup>	16,813,908	16,564,622
1,147,000 On Holding AG, Cl A <sup>1,2</sup>	35,496,144	48,575,450
	52,310,052	65,140,072
<b>Home Improvement Retail (0.68%)</b>		
350,000 Floor & Decor Holdings, Inc., Cl A <sup>1</sup>	30,525,145	25,795,000
<b>Hotels, Resorts &amp; Cruise Lines (3.44%)</b>		
478,442 Choice Hotels International, Inc.	2,051,052	51,150,234
31,000 Hilton Worldwide Holdings, Inc.	6,489,341	8,042,640
500,233 Hyatt Hotels Corp., Cl A	13,700,166	70,998,070
	22,240,559	130,190,944
<b>Leisure Facilities (1.51%)</b>		
381,538 Vail Resorts, Inc.	7,358,829	57,066,638
<b>Specialized Consumer Services (0.78%)</b>		
778,700 StubHub Holdings, Inc., Cl A <sup>1</sup>	18,279,267	13,113,308
988,065 StubHub Holdings, Inc., Cl A <sup>1,3</sup>	50,000,041	16,639,015
	68,279,308	29,752,323
<b>Total Consumer Discretionary</b>	<b>231,615,828</b>	<b>356,501,177</b>
<b>Financials (11.59%)</b>		
<b>Financial Exchanges &amp; Data (3.90%)</b>		
162,719 FactSet Research Systems, Inc.	8,640,434	46,617,367
156,000 Morningstar, Inc.	32,512,227	36,193,560
53,000 MSCI, Inc.	19,223,355	30,072,730
316,189 Tradeweb Markets, Inc., Cl A	12,240,920	35,090,655
	72,616,936	147,974,312
<b>Insurance Brokers (0.77%)</b>		
84,421 Willis Towers Watson PLC <sup>2</sup>	10,305,610	29,163,234
<b>Investment Banking &amp; Brokerage (3.03%)</b>		
1,028,164 The Charles Schwab Corp.	906,976	98,158,817
50,000 LPL Financial Holdings, Inc.	19,152,950	16,634,500
	20,059,926	114,793,317

Shares	Cost	Value
<b>Common Stocks (continued)</b>		
<b>Financials (continued)</b>		
<b>Property &amp; Casualty Insurance (3.89%)</b>		
1,623,277 Arch Capital Group Ltd. <sup>1,2</sup>	\$ 5,854,305	\$ 147,279,922
<b>Total Financials</b>	<b>108,836,777</b>	<b>439,210,785</b>
<b>Health Care (14.70%)</b>		
<b>Health Care Equipment (6.25%)</b>		
371,001 IDEXX Laboratories, Inc. <sup>1</sup>	6,995,157	237,028,829
<b>Health Care Supplies (1.11%)</b>		
611,198 The Cooper Companies, Inc. <sup>1</sup>	23,501,499	41,903,735
<b>Health Care Technology (2.06%)</b>		
261,648 Veeva Systems, Inc., Cl A <sup>1</sup>	14,521,022	77,947,556
<b>Life Sciences Tools &amp; Services (5.28%)</b>		
711,944 Bio-Techne Corporation	17,046,600	39,605,445
103,117 Mettler-Toledo International, Inc. <sup>1</sup>	5,963,943	126,587,460
129,404 West Pharmaceutical Services, Inc.	5,506,342	33,946,551
	28,516,885	200,139,456
<b>Total Health Care</b>	<b>73,534,563</b>	<b>557,019,576</b>
<b>Industrials (17.07%)</b>		
<b>Aerospace &amp; Defense (2.00%)</b>		
50,000 Axon Enterprise, Inc. <sup>1</sup>	9,959,466	35,882,000
500,000 Loar Holdings, Inc. <sup>1</sup>	36,498,008	40,000,000
	46,457,474	75,882,000
<b>Construction &amp; Engineering (3.12%)</b>		
285,000 Quanta Services, Inc.	47,697,751	118,109,700
<b>Data Processing &amp; Outsourced Services (0.94%)</b>		
403,076 SS&C Technologies Holdings, Inc.	10,805,708	35,777,026
<b>Electrical Components &amp; Equipment (1.06%)</b>		
265,000 Vertiv Holdings Co., Cl A	23,133,490	39,977,900
<b>Environmental &amp; Facilities Services (1.77%)</b>		
1,140,418 Rollins, Inc.	14,573,249	66,988,153
<b>Human Resource &amp; Employment Services (0.81%)</b>		
448,093 Dayforce, Inc. <sup>1</sup>	22,414,820	30,869,127
<b>Industrial Machinery &amp; Supplies &amp; Components (0.82%)</b>		
190,760 IDEX Corp.	13,439,466	31,048,098
<b>Research &amp; Consulting Services (6.55%)</b>		
200,000 Booz Allen Hamilton Holding Corp.	22,670,902	19,990,000
725,500 TransUnion	30,419,913	60,782,390
666,346 Verisk Analytics, Inc.	16,130,609	167,592,682
	69,221,424	248,365,072
<b>Total Industrials</b>	<b>247,743,382</b>	<b>647,017,076</b>



## Baron Asset Fund (continued)

Shares	Cost	Value
<b>Common Stocks (continued)</b>		
<b>Information Technology (24.90%)</b>		
<b>Application Software (13.07%)</b>		
65,000 Fair Isaac Corp. <sup>1</sup>	\$ 24,864,701	\$ 97,274,450
887,425 Guidewire Software, Inc. <sup>1</sup>	44,278,865	203,983,511
500,000 Procore Technologies, Inc. <sup>1</sup>	36,356,998	36,460,000
200,692 Roper Technologies, Inc.	16,800,920	100,083,093
850,000 Samsara, Inc., Cl A <sup>1</sup>	33,416,962	31,662,500
256,493 ServiceTitan, Inc., Cl A <sup>1</sup>	20,395,336	25,862,189
	<u>176,113,782</u>	<u>495,325,743</u>
<b>Electronic Components (5.33%)</b>		
1,633,000 Amphenol Corp., Cl A	38,430,247	202,083,750
<b>Internet Services &amp; Infrastructure (0.51%)</b>		
69,173 Verisign, Inc.	3,076,958	19,338,696
<b>IT Consulting &amp; Other Services (4.70%)</b>		
677,323 Gartner, Inc. <sup>1</sup>	13,806,354	178,047,897
<b>Systems Software (0.34%)</b>		
586,717 SailPoint, Inc. <sup>1,4</sup>	13,377,788	12,954,711
<b>Technology Distributors (0.95%)</b>		
226,363 CDW Corp.	13,601,532	36,055,099
<b>Total Information Technology</b>	<u>258,406,661</u>	<u>943,805,896</u>
<b>Real Estate (8.27%)</b>		
<b>Data Center REITs (0.95%)</b>		
46,116 Equinix, Inc.	2,965,261	36,119,896
<b>Health Care REITs (0.85%)</b>		
180,000 Welltower, Inc.	24,381,415	32,065,200
<b>Real Estate Services (6.47%)</b>		
496,323 CBRE Group, Inc., Cl A <sup>1</sup>	5,552,580	78,200,652
1,979,901 CoStar Group, Inc. <sup>1</sup>	39,551,950	167,044,247
	<u>45,104,530</u>	<u>245,244,899</u>
<b>Total Real Estate</b>	<u>72,451,206</u>	<u>313,429,995</u>
<b>Total Common Stocks</b>	<u>1,028,325,456</u>	<u>3,351,289,505</u>

Shares	Cost	Value
<b>Private Common Stocks (0.91%)</b>		
<b>Industrials (0.91%)</b>		
<b>Aerospace &amp; Defense (0.91%)</b>		
92,406 Space Exploration Technologies Corp., Cl A <sup>1,3,4</sup>	\$ 7,115,262	\$ 19,590,072
69,932 Space Exploration Technologies Corp., Cl C <sup>1,3,4</sup>	5,384,764	14,825,584
<b>Total Private Common Stocks</b>	<u>12,500,026</u>	<u>34,415,656</u>
<b>Private Preferred Stocks (8.81%)</b>		
<b>Communication Services (3.22%)</b>		
<b>Interactive Media &amp; Services (3.22%)</b>		
3,341,687 X.AI Holdings Corp., Cl B <sup>1,3,4</sup>	39,999,993	122,172,077
<b>Industrials (5.59%)</b>		
<b>Aerospace &amp; Defense (5.59%)</b>		
277,529 Skyryse, Inc., Series C <sup>1,3,4</sup>	7,499,999	7,499,999
96,298 Space Exploration Technologies Corp., Series N <sup>1,3,4</sup>	26,000,460	204,151,760
<b>Total Industrials</b>	<u>33,500,459</u>	<u>211,651,759</u>
<b>Total Private Preferred Stocks</b>	<u>73,500,452</u>	<u>333,823,836</u>
<b>Total Investments (98.15%)</b>	<u>\$ 1,114,325,934</u>	<u>3,719,528,997</u>
<b>Cash and Other Assets</b>		
<b>Less Liabilities (1.85%)</b>		<u>70,171,378</u>
<b>Net Assets</b>		<u>\$ 3,789,700,375</u>

% Represents percentage of net assets.

<sup>1</sup> Non-income producing securities.

<sup>2</sup> Foreign corporation.

<sup>3</sup> At September 30, 2025, the market value of restricted securities amounted to \$384,878,507 or 10.16% of net assets.

<sup>4</sup> The Adviser has reclassified/classified certain securities in or out of this sub-industry. Such reclassifications/classifications are not supported by S&P or MSCI.

## Portfolio of Investments

### Baron Growth Fund

Shares		Cost	Value
<b>Common Stocks (98.00%)</b>			
<b>Consumer Discretionary (17.09%)</b>			
	<b>Apparel, Accessories &amp; Luxury Goods (1.67%)</b>		
12,368,569	Figs, Inc., Cl A <sup>1</sup>	\$ 87,745,510	\$ 82,745,727
	<b>Casinos &amp; Gaming (2.90%)</b>		
2,347,802	Red Rock Resorts, Inc., Cl A	61,849,524	143,356,790
	<b>Hotels, Resorts &amp; Cruise Lines (6.48%)</b>		
3,000,000	Choice Hotels International, Inc. <sup>4</sup>	75,582,685	320,730,000
	<b>Leisure Facilities (6.04%)</b>		
2,000,000	Vail Resorts, Inc. <sup>4</sup>	56,102,209	299,140,000
<b>Total Consumer Discretionary</b>		<u>281,279,928</u>	<u>845,972,517</u>
<b>Financials (54.19%)</b>			
	<b>Asset Management &amp; Custody Banks (1.90%)</b>		
1,429,400	Cohen & Steers, Inc.	31,167,753	93,782,934
	<b>Financial Exchanges &amp; Data (21.89%)</b>		
700,000	FactSet Research Systems, Inc.	35,537,023	200,543,000
920,000	Morningstar, Inc.	18,727,699	213,449,200
1,180,000	MSCI, Inc.	21,297,386	669,543,800
		75,562,108	1,083,536,000
	<b>Investment Banking &amp; Brokerage (2.37%)</b>		
450,000	Houlihan Lokey, Inc.	19,625,873	92,394,000
350,000	Moelis & Co., Cl A	3,209,979	24,962,000
		22,835,852	117,356,000
	<b>Life &amp; Health Insurance (6.11%)</b>		
1,090,000	Primerica, Inc.	23,045,123	302,573,100
	<b>Property &amp; Casualty Insurance (21.92%)</b>		
7,690,000	Arch Capital Group Ltd. <sup>1,2</sup>	24,103,691	697,713,700
910,000	Kinsale Capital Group, Inc.	29,951,420	386,986,600
		54,055,111	1,084,700,300
<b>Total Financials</b>		<u>206,665,947</u>	<u>2,681,948,334</u>
<b>Health Care (6.20%)</b>			
	<b>Health Care Equipment (3.87%)</b>		
300,000	IDEXX Laboratories, Inc. <sup>1</sup>	4,166,402	191,667,000
	<b>Health Care Supplies (0.15%)</b>		
1,342,434	Neogen Corp. <sup>1</sup>	17,026,471	7,665,298
	<b>Life Sciences Tools &amp; Services (2.18%)</b>		
1,100,000	Bio-Techne Corporation	14,186,431	61,193,000
38,000	Mettler-Toledo International, Inc. <sup>1</sup>	1,741,642	46,649,180
		15,928,073	107,842,180
<b>Total Health Care</b>		<u>37,120,946</u>	<u>307,174,478</u>

Shares		Cost	Value
<b>Common Stocks (continued)</b>			
<b>Information Technology (10.08%)</b>			
	<b>Application Software (3.71%)</b>		
305,000	Clearwater Analytics Holdings, Inc., Cl A <sup>1</sup>	\$ 4,682,008	\$ 5,496,100
775,500	Guidewire Software, Inc. <sup>1</sup>	23,378,359	178,256,430
		28,060,367	183,752,530
	<b>IT Consulting &amp; Other Services (6.37%)</b>		
1,200,000	Gartner, Inc. <sup>1</sup>	16,543,497	315,444,000
<b>Total Information Technology</b>		<u>44,603,864</u>	<u>499,196,530</u>
<b>Real Estate (10.44%)</b>			
	<b>Other Specialized REITs (2.83%)</b>		
3,000,000	Gaming and Leisure Properties, Inc.	61,400,883	139,830,000
	<b>Real Estate Services (7.61%)</b>		
4,465,000	CoStar Group, Inc. <sup>1</sup>	18,613,805	376,712,050
<b>Total Real Estate</b>		<u>80,014,688</u>	<u>516,542,050</u>
<b>Total Common Stocks</b>		<u>649,685,373</u>	<u>4,850,833,909</u>
<b>Private Common Stocks (0.02%)</b>			
<b>Unclassified (0.02%)</b>			
422,278	Farmers Business Network, Inc. <sup>1,3,5,6</sup>	16,300,002	785,437
<b>Private Convertible Preferred Stocks (0.00%)</b>			
<b>Unclassified (0.00%)</b>			
59,407,006	Northvolt AB (Sweden) <sup>1,2,3,5,7</sup>	9,374,988	0
<b>Total Investments (98.02%)</b>		<u>\$ 675,360,363</u>	<u>4,851,619,346</u>
<b>Cash and Other Assets</b>			
<b>Less Liabilities (1.98%)</b>			<u>97,814,319</u>
<b>Net Assets</b>			<u>\$ 4,949,433,665</u>

% Represents percentage of net assets.

<sup>1</sup> Non-income producing securities.

<sup>2</sup> Foreign corporation.

<sup>3</sup> At September 30, 2025, the market value of restricted securities amounted to \$785,437 or 0.02% of net assets.

<sup>4</sup> An "Affiliated" investment may include any company in which the Fund owns 5% or more of its outstanding shares.

<sup>5</sup> The Adviser has reclassified/classified certain securities in or out of this sub-industry. Such reclassifications/classifications are not supported by S&P or MSCI.

<sup>6</sup> The Adviser reclassified sector and sub-industry to Unclassified due to ongoing principal business activity restructuring.

<sup>7</sup> The Adviser reclassified sector and sub-industry to Unclassified as a result of the company declaring bankruptcy and no longer having a principal business activity.

## Baron Small Cap Fund

Shares	Cost	Value
<b>Common Stocks (99.01%)</b>		
<b>Communication Services (5.93%)</b>		
<b>Advertising (0.78%)</b>		
600,000 The Trade Desk, Inc., Cl A <sup>1</sup>	\$ 2,130,000	\$ 29,406,000
<b>Movies &amp; Entertainment (5.15%)</b>		
900,000 Liberty Media Corp.-Liberty Formula One, Cl C <sup>1</sup>	15,481,364	94,005,000
500,000 Liberty Media Corporation-Liberty Live Cl C <sup>1</sup>	21,574,666	48,485,000
225,000 Madison Square Garden Sports Corp. <sup>1</sup>	8,416,556	51,075,000
	45,472,586	193,565,000
<b>Total Communication Services</b>	47,602,586	222,971,000

<b>Consumer Discretionary (16.29%)</b>		
<b>Automotive Parts &amp; Equipment (0.27%)</b>		
3,250,000 Holley, Inc. <sup>1</sup>	15,612,642	10,205,000
<b>Casinos &amp; Gaming (5.75%)</b>		
875,000 DraftKings, Inc., Cl A <sup>1</sup>	11,187,787	32,725,000
3,000,000 Red Rock Resorts, Inc., Cl A	88,857,958	183,180,000
	100,045,745	215,905,000
<b>Education Services (2.09%)</b>		
725,000 Bright Horizons Family Solutions, Inc. <sup>1</sup>	31,922,423	78,713,250
<b>Home Improvement Retail (0.88%)</b>		
450,000 Floor & Decor Holdings, Inc., Cl A <sup>1</sup>	14,749,690	33,165,000
<b>Homebuilding (2.30%)</b>		
350,000 Installed Building Products, Inc.	13,854,997	86,331,000
<b>Leisure Facilities (3.18%)</b>		
1,150,000 Planet Fitness, Inc., Cl A <sup>1</sup>	47,029,230	119,370,000
<b>Restaurants (1.82%)</b>		
1,250,000 The Cheesecake Factory, Inc.	30,023,502	68,300,000
<b>Total Consumer Discretionary</b>	253,238,229	611,989,250

<b>Consumer Staples (1.87%)</b>		
<b>Personal Care Products (1.87%)</b>		
1,125,000 Oddity Tech Ltd., Cl A <sup>1,2</sup>	41,428,946	70,087,500

<b>Financials (11.73%)</b>		
<b>Asset Management &amp; Custody Banks (0.71%)</b>		
2,200,000 GCM Grosvenor, Inc., Cl A	24,160,896	26,554,000
<b>Insurance Brokers (2.73%)</b>		
1,200,000 Accelerant Holdings, Cl A <sup>1,2</sup>	26,436,576	17,868,000
3,000,000 Baldwin Insurance Group, Inc. Cl A <sup>1</sup>	46,953,071	84,630,000
	73,389,647	102,498,000
<b>Investment Banking &amp; Brokerage (2.73%)</b>		
500,000 Houlihan Lokey, Inc.	23,001,811	102,660,000

Shares	Cost	Value
<b>Common Stocks (continued)</b>		
<b>Financials (continued)</b>		
<b>Property &amp; Casualty Insurance (5.04%)</b>		
425,000 Kinsale Capital Group, Inc.	\$ 59,991,815	\$ 180,735,500
441,521 Neptune Insurance Holdings, Inc., Cl A <sup>1</sup>	8,830,420	8,830,420
	68,822,235	189,565,920
<b>Transaction &amp; Payment Processing Services (0.52%)</b>		
3,750,000 Repay Holdings Corporation <sup>1</sup>	32,041,410	19,612,500
<b>Total Financials</b>	221,415,999	440,890,420

<b>Health Care (10.41%)</b>		
<b>Health Care Equipment (1.54%)</b>		
265,000 DexCom, Inc. <sup>1</sup>	878,801	17,831,850
190,000 Inspire Medical Systems, Inc. <sup>1</sup>	9,493,281	14,098,000
250,000 Integer Holdings Corp. <sup>1</sup>	25,576,323	25,832,500
	35,948,405	57,762,350
<b>Health Care Services (2.30%)</b>		
600,000 Hinge Health, Inc., Cl A <sup>1</sup>	20,066,580	29,448,000
750,000 RadNet, Inc. <sup>1</sup>	44,042,531	57,157,500
	64,109,111	86,605,500
<b>Health Care Supplies (0.84%)</b>		
5,500,000 Neogen Corp. <sup>1</sup>	58,747,291	31,405,000
<b>Life Sciences Tools &amp; Services (3.84%)</b>		
650,000 ICON plc <sup>1,2</sup>	27,743,341	113,750,000
25,000 Mettler-Toledo International, Inc. <sup>1</sup>	1,205,243	30,690,250
	28,948,584	144,440,250
<b>Managed Health Care (1.89%)</b>		
750,000 HealthEquity, Inc. <sup>1</sup>	12,292,452	71,077,500
<b>Total Health Care</b>	200,045,843	391,290,600

<b>Industrials (31.27%)</b>		
<b>Aerospace &amp; Defense (7.18%)</b>		
850,000 Karman Holdings, Inc. <sup>1</sup>	22,158,746	61,370,000
1,200,000 Kratos Defense & Security Solutions, Inc. <sup>1</sup>	21,657,284	109,644,000
75,000 TransDigm Group, Inc. <sup>1</sup>	0	98,851,500
	43,816,030	269,865,500

<b>Building Products (1.44%)</b>		
2,750,000 Janus International Group, Inc. <sup>1</sup>	25,953,585	27,142,500
525,000 Trex Co., Inc. <sup>1</sup>	18,023,818	27,126,750
	43,977,403	54,269,250
<b>Construction &amp; Engineering (1.03%)</b>		
1,250,000 Legence Corp., Cl A <sup>1</sup>	35,000,000	38,512,500
<b>Diversified Support Services (2.14%)</b>		
5,000,000 Driven Brands Holdings, Inc. <sup>1</sup>	90,115,067	80,550,000
<b>Electrical Components &amp; Equipment (7.03%)</b>		
1,750,000 Vertiv Holdings Co., Cl A	18,860,324	264,005,000

## Portfolio of Investments

### Baron Small Cap Fund (continued)

Shares		Cost	Value
<b>Common Stocks (continued)</b>			
<b>Industrials (continued)</b>			
	<b>Environmental &amp; Facilities Services (0.94%)</b>		
200,000	Waste Connections, Inc. <sup>2</sup>	\$ 8,733,333	\$ 35,160,000
	<b>Human Resource &amp; Employment Services (1.54%)</b>		
3,750,000	First Advantage Corp. <sup>1</sup>	60,629,977	57,712,500
	<b>Industrial Machinery &amp; Supplies &amp; Components (6.42%)</b>		
200,000	Enpro, Inc.	34,459,729	45,200,000
700,000	JBT Marel Corp.	63,192,030	98,315,000
250,000	RBC Bearings, Inc. <sup>1</sup>	27,992,037	97,572,500
		125,643,796	241,087,500
	<b>Research &amp; Consulting Services (0.55%)</b>		
300,000	Exponent, Inc.	22,851,915	20,844,000
	<b>Trading Companies &amp; Distributors (3.00%)</b>		
875,000	SiteOne Landscape Supply, Inc. <sup>1</sup>	33,566,364	112,700,000
<b>Total Industrials</b>		<u>483,194,209</u>	<u>1,174,706,250</u>
<b>Information Technology (20.63%)</b>			
	<b>Application Software (9.15%)</b>		
3,250,000	Clearwater Analytics Holdings, Inc., CI A <sup>1</sup>	60,623,312	58,565,000
750,000	Guidewire Software, Inc. <sup>1</sup>	19,187,566	172,395,000
1,700,000	Intapp, Inc. <sup>1</sup>	66,231,698	69,530,000
1,600,000	nCino, Inc. <sup>1</sup>	51,018,174	43,376,000
		197,060,750	343,866,000
	<b>Electric Equipment (1.00%)</b>		
950,000	PAR Technology Corp. <sup>1</sup>	59,213,961	37,601,000

Shares		Cost	Value
<b>Common Stocks (continued)</b>			
<b>Information Technology (continued)</b>			
	<b>Electronic Equipment &amp; Instruments (3.40%)</b>		
1,900,000	Cognex Corp.	\$ 39,755,701	\$ 86,070,000
500,000	Mirion Technologies, Inc. <sup>1</sup>	10,929,550	11,630,000
300,000	Novanta, Inc. <sup>1,2</sup>	33,907,963	30,045,000
		84,593,214	127,745,000
	<b>IT Consulting &amp; Other Services (5.17%)</b>		
1,250,000	ASGN, Inc. <sup>1</sup>	27,559,666	59,187,500
425,000	Gartner, Inc. <sup>1</sup>	5,502,186	111,719,750
3,000,000	Grid Dynamics Holdings, Inc. <sup>1</sup>	36,322,597	23,130,000
		69,384,449	194,037,250
	<b>Semiconductors (0.65%)</b>		
6,000,000	indie Semiconductor, Inc., CI A <sup>1</sup>	37,247,069	24,420,000
	<b>Systems Software (1.26%)</b>		
1,000,000	JFrog Ltd. <sup>1,2</sup>	31,388,826	47,330,000
<b>Total Information Technology</b>		<u>478,888,269</u>	<u>774,999,250</u>
<b>Materials (0.88%)</b>			
	<b>Specialty Chemicals (0.88%)</b>		
1,000,000	Avient Corp.	29,173,593	32,950,000
<b>Total Investments (99.01%)</b>		<u>\$ 1,754,987,674</u>	<u>3,719,884,270</u>
<b>Cash and Other Assets</b>			
<b>Less Liabilities (0.99%)</b>			<u>37,383,238</u>
<b>Net Assets</b>			<u>\$ 3,757,267,508</u>

% Represents percentage of net assets.

<sup>1</sup> Non-income producing securities.

<sup>2</sup> Foreign corporation.

## Baron Opportunity Fund

Shares		Cost	Value
<b>Common Stocks (93.58%)</b>			
<b>Communication Services (10.93%)</b>			
<b>Advertising (1.50%)</b>			
536,010	The Trade Desk, Inc., Cl A <sup>1</sup>	\$ 30,344,784	\$ 26,269,850
<b>Interactive Media &amp; Services (4.57%)</b>			
109,500	Meta Platforms, Inc., Cl A	20,892,362	80,414,610
<b>Movies &amp; Entertainment (4.86%)</b>			
122,500	Spotify Technology SA <sup>1,2</sup>	37,316,491	85,505,000
<b>Total Communication Services</b>		<u>88,553,637</u>	<u>192,189,460</u>
<b>Consumer Discretionary (14.05%)</b>			
<b>Automobile Manufacturers (6.05%)</b>			
239,200	Tesla, Inc. <sup>1</sup>	15,546,000	106,377,024
<b>Broadline Retail (6.06%)</b>			
485,500	Amazon.com, Inc. <sup>1</sup>	29,742,116	106,601,235
<b>Casinos &amp; Gaming (0.86%)</b>			
405,000	DraftKings, Inc., Cl A <sup>1</sup>	12,760,168	15,147,000
<b>Education Services (1.08%)</b>			
58,900	Duolingo, Inc. <sup>1</sup>	15,107,173	18,956,376
<b>Total Consumer Discretionary</b>		<u>73,155,457</u>	<u>247,081,635</u>
<b>Consumer Staples (0.48%)</b>			
<b>Personal Care Products (0.48%)</b>			
136,700	Oddity Tech Ltd., Cl A <sup>1,2</sup>	8,281,370	8,516,410
<b>Financials (4.94%)</b>			
<b>Investment Banking &amp; Brokerage (1.18%)</b>			
62,500	LPL Financial Holdings, Inc.	20,717,576	20,793,125
<b>Transaction &amp; Payment Processing Services (3.76%)</b>			
56,400	Mastercard, Incorporated, Cl A	12,019,014	32,080,884
99,800	Visa, Inc., Cl A	15,336,164	34,069,724
		27,355,178	66,150,608
<b>Total Financials</b>		<u>48,072,754</u>	<u>86,943,733</u>
<b>Health Care (9.24%)</b>			
<b>Biotechnology (3.58%)</b>			
244,000	Arcellx, Inc. <sup>1</sup>	15,864,812	20,032,400
58,139	argenx SE, ADR <sup>1,2</sup>	6,119,397	42,881,001
		21,984,209	62,913,401
<b>Health Care Equipment (1.04%)</b>			
41,105	Intuitive Surgical, Inc. <sup>1</sup>	4,585,816	18,383,389
<b>Health Care Services (0.84%)</b>			
301,785	Hinge Health, Inc., Cl A <sup>1</sup>	10,440,040	14,811,608
<b>Health Care Technology (0.33%)</b>			
171,530	HeartFlow, Inc. <sup>1</sup>	3,259,070	5,773,700
<b>Life Sciences Tools &amp; Services (0.97%)</b>			
311,000	Exact Sciences Corp. <sup>1,4</sup>	16,708,353	17,014,810
<b>Pharmaceuticals (2.48%)</b>			
57,300	Eli Lilly & Co.	43,844,979	43,719,900
<b>Total Health Care</b>		<u>100,822,467</u>	<u>162,616,808</u>

Shares		Cost	Value
<b>Common Stocks (continued)</b>			
<b>Industrials (0.59%)</b>			
<b>Construction &amp; Engineering (0.59%)</b>			
25,000	Quanta Services, Inc.	\$ 6,003,860	\$ 10,360,500
<b>Information Technology (51.12%)</b>			
<b>Application Software (7.10%)</b>			
125,400	Atlassian Corp., Cl A <sup>1,2</sup>	22,311,176	20,026,380
363,500	Gitlab, Inc., Cl A <sup>1,4</sup>	15,384,176	16,386,580
102,600	Guidewire Software, Inc. <sup>1</sup>	3,964,614	23,583,636
699,000	Samsara, Inc., Cl A <sup>1</sup>	23,575,241	26,037,750
24,100	ServiceNow, Inc. <sup>1,4</sup>	3,170,684	22,178,748
19,000	Synopsys, Inc. <sup>1</sup>	8,780,793	9,374,410
150,577	Via Transportation, Inc., Cl A <sup>1</sup>	6,926,542	7,239,742
		84,113,226	124,827,246
<b>Communications Equipment (0.71%)</b>			
86,097	Arista Networks, Inc. <sup>1</sup>	13,036,514	12,545,194
<b>Electric Equipment (0.44%)</b>			
196,898	PAR Technology Corp. <sup>1</sup>	10,949,943	7,793,223
<b>Internet Services &amp; Infrastructure (3.08%)</b>			
642,000	GDS Holdings Ltd., ADR <sup>1,2</sup>	11,352,830	24,845,400
197,100	Shopify, Inc., Cl A <sup>1,2</sup>	7,761,701	29,291,031
		19,114,531	54,136,431
<b>IT Consulting &amp; Other Services (1.57%)</b>			
105,387	Gartner, Inc. <sup>1</sup>	10,666,481	27,703,080
<b>Semiconductor Materials &amp; Equipment (1.04%)</b>			
57,000	Nova Ltd. <sup>1,2</sup>	11,343,542	18,220,620
<b>Semiconductors (23.98%)</b>			
342,000	Broadcom, Inc.	47,651,125	112,829,220
5,565,971	indie Semiconductor, Inc., Cl A <sup>1</sup>	29,920,021	22,653,502
21,200	Monolithic Power Systems, Inc.	12,327,295	19,517,568
1,241,100	NVIDIA Corp.	7,126,300	231,564,438
126,700	Taiwan Semiconductor Manufacturing Co., Ltd., ADR <sup>2</sup>	15,332,240	35,386,043
		112,356,981	421,950,771
<b>Systems Software (13.20%)</b>			
118,400	Cloudflare, Inc., Cl A <sup>1,4</sup>	7,185,038	25,407,456
137,500	Datadog, Inc., Cl A <sup>1,4</sup>	14,762,789	19,580,000
254,000	Microsoft Corporation	27,363,758	131,559,300
178,138	Netskope, Inc., Cl A <sup>1</sup>	3,384,622	4,049,077
119,100	Snowflake, Inc., Cl A <sup>1,4</sup>	20,035,929	26,863,005
82,500	Zscaler, Inc. <sup>1</sup>	15,575,854	24,721,950
		88,307,990	232,180,788
<b>Total Information Technology</b>		<u>349,889,208</u>	<u>899,357,353</u>
<b>Real Estate (2.23%)</b>			
<b>Real Estate Services (2.23%)</b>			
465,130	CoStar Group, Inc. <sup>1</sup>	23,649,851	39,243,018
<b>Total Common Stocks</b>		<u>698,428,604</u>	<u>1,646,308,917</u>



## Portfolio of Investments

### Baron Opportunity Fund (continued)

Shares		Cost	Value
<b>Private Common Stocks (2.61%)</b>			
<b>Communication Services (0.29%)</b>			
<b>Interactive Media &amp; Services (0.29%)</b>			
138,812	X.AI Holdings Corp., Cl A <sup>1,3,4</sup>	\$ 5,000,000	\$ 5,074,966
<b>Industrials (2.30%)</b>			
<b>Aerospace &amp; Defense (2.30%)</b>			
107,376	Space Exploration Technologies Corp., Cl A <sup>1,3,4</sup>	5,043,029	22,763,712
83,588	Space Exploration Technologies Corp., Cl C <sup>1,3,4</sup>	10,957,102	17,720,656
		16,000,131	40,484,368
<b>Passenger Ground Transportation (0.00%)<sup>^</sup></b>			
3,571	GM Cruise Holdings LLC, Cl B <sup>1,3,4</sup>	103,563	3,571
<b>Total Industrials</b>		<b>16,103,694</b>	<b>40,487,939</b>
<b>Unclassified (0.02%)</b>			
<b>Unclassified (0.02%)</b>			
182,067	Farmers Business Network, Inc. <sup>1,3,4,5</sup>	2,394,652	338,645
<b>Total Private Common Stocks</b>		<b>23,498,346</b>	<b>45,901,550</b>
<b>Private Convertible Preferred Stocks (0.16%)</b>			
<b>Unclassified (0.16%)</b>			
<b>Unclassified (0.16%)</b>			
37,254	Farmers Business Network, Inc., Series F <sup>1,3,4,5</sup>	4,855,355	684,729
615,761	Farmers Business Network, Inc., Units <sup>1,3,4,5</sup>	615,761	2,081,272
<b>Total Private Convertible Preferred Stocks</b>		<b>5,471,116</b>	<b>2,766,001</b>

Shares		Cost	Value
<b>Private Preferred Stocks (3.20%)</b>			
<b>Communication Services (0.96%)</b>			
<b>Interactive Media &amp; Services (0.96%)</b>			
461,893	X.AI Holdings Corp., Series C <sup>1,3,4</sup>	\$ 9,999,983	\$ 16,886,808
<b>Industrials (2.24%)</b>			
<b>Aerospace &amp; Defense (2.23%)</b>			
18,519	Space Exploration Technologies Corp., Series N <sup>1,3,4</sup>	5,000,130	39,260,280
<b>Passenger Ground Transportation (0.01%)</b>			
266,956	GM Cruise Holdings LLC, Cl G <sup>1,3,4</sup>	7,034,290	266,956
<b>Total Industrials</b>		<b>12,034,420</b>	<b>39,527,236</b>
<b>Total Private Preferred Stocks</b>		<b>22,034,403</b>	<b>56,414,044</b>
<b>Total Investments (99.55%)</b>		<b>\$ 749,432,469</b>	<b>1,751,390,512</b>
<b>Cash and Other Assets</b>			<b>7,908,142</b>
<b>Less Liabilities (0.45%)</b>			
<b>Net Assets</b>			<b>\$ 1,759,298,654</b>

% Represents percentage of net assets.

<sup>1</sup> Non-income producing securities.

<sup>2</sup> Foreign corporation.

<sup>3</sup> At September 30, 2025, the market value of restricted securities amounted to \$105,081,595 or 5.97% of net assets.

<sup>4</sup> The Adviser has reclassified/classified certain securities in or out of this sub-industry. Such reclassifications/classifications are not supported by S&P or MSCI.

<sup>5</sup> The Adviser reclassified sector and sub-industry to Unclassified due to ongoing principal business activity restructuring.

<sup>^</sup> Rounds to less than 0.01%.

<sup>ADR</sup> American Depositary Receipt.

## Baron Partners Fund

Shares	Cost	Value
<b>Common Stocks (86.46%)</b>		
<b>Communication Services (1.93%)</b>		
Movies & Entertainment (1.93%)		
225,000 Spotify Technology SA <sup>1,2,6</sup>	\$ 36,152,863	\$ 157,050,000
<b>Consumer Discretionary (46.83%)</b>		
Automobile Manufacturers (35.33%)		
6,455,000 Tesla, Inc. <sup>1,5,6</sup>	95,897,631	2,870,667,600
Casinos & Gaming (1.47%)		
1,954,558 Red Rock Resorts, Inc., Cl A <sup>6</sup>	70,946,879	119,345,311
Footwear (0.96%)		
1,725,000 Birkenstock Holding PLC <sup>1,2,6</sup>	78,199,680	78,056,250
Hotels, Resorts & Cruise Lines (6.08%)		
225,000 Choice Hotels International, Inc. <sup>6</sup>	27,511,564	24,054,750
3,310,000 Hyatt Hotels Corp., Cl A <sup>6</sup>	114,517,357	469,788,300
	142,028,921	493,843,050
Leisure Facilities (2.78%)		
1,510,000 Vail Resorts, Inc. <sup>6</sup>	152,124,519	225,850,700
Specialized Consumer Services (0.21%)		
988,065 StubHub Holdings, Inc., Cl A <sup>1,3</sup>	50,000,041	16,639,015
<b>Total Consumer Discretionary</b>	<b>589,197,671</b>	<b>3,804,401,926</b>
<b>Financials (17.04%)</b>		
Financial Exchanges & Data (4.97%)		
490,000 FactSet Research Systems, Inc. <sup>6</sup>	31,317,524	140,380,100
465,000 MSCI, Inc. <sup>6</sup>	210,724,904	263,845,650
	242,042,428	404,225,750
Investment Banking & Brokerage (5.17%)		
4,400,000 The Charles Schwab Corp. <sup>6</sup>	113,630,270	420,068,000
Property & Casualty Insurance (6.90%)		
6,175,000 Arch Capital Group Ltd. <sup>1,2,6</sup>	27,361,902	560,257,750
<b>Total Financials</b>	<b>383,034,600</b>	<b>1,384,551,500</b>
<b>Health Care (4.88%)</b>		
Health Care Equipment (4.88%)		
620,000 IDEXX Laboratories, Inc. <sup>1,6</sup>	27,074,535	396,111,800

Shares	Cost	Value
<b>Common Stocks (continued)</b>		
<b>Industrials (0.86%)</b>		
Aerospace & Defense (0.86%)		
125,625 HEICO Corp. <sup>6</sup>	\$ 9,632,520	\$ 40,554,262
116,875 HEICO Corp., Cl A <sup>6</sup>	7,586,429	29,696,769
<b>Total Industrials</b>	<b>17,218,949</b>	<b>70,251,031</b>
<b>Information Technology (6.77%)</b>		
Application Software (2.79%)		
476,412 Figma, Inc., Cl A <sup>1,6</sup>	15,721,596	24,711,491
880,000 Guidewire Software, Inc. <sup>1,6</sup>	71,023,556	202,276,800
	86,745,152	226,988,291
IT Consulting & Other Services (3.98%)		
1,230,000 Gartner, Inc. <sup>1,6</sup>	216,702,960	323,330,100
<b>Total Information Technology</b>	<b>303,448,112</b>	<b>550,318,391</b>
<b>Real Estate (8.15%)</b>		
Other Specialized REITs (1.02%)		
1,775,000 Gaming and Leisure Properties, Inc. <sup>6</sup>	55,052,805	82,732,750
Real Estate Services (7.13%)		
6,865,000 CoStar Group, Inc. <sup>1,6</sup>	92,989,423	579,200,050
<b>Total Real Estate</b>	<b>148,042,228</b>	<b>661,932,800</b>
<b>Total Common Stocks</b>	<b>1,504,168,958</b>	<b>7,024,617,448</b>
<b>Private Common Stocks (7.32%)</b>		
<b>Communication Services (0.75%)</b>		
Interactive Media & Services (0.75%)		
1,665,754 X.AI Holdings Corp., Cl A <sup>1,3,4</sup>	60,000,000	60,899,966
<b>Industrials (6.57%)</b>		
Aerospace & Defense (6.57%)		
2,216,310 Space Exploration Technologies Corp., Cl A <sup>1,3,4</sup>	29,920,185	469,857,720
302,210 Space Exploration Technologies Corp., Cl C <sup>1,3,4</sup>	4,079,835	64,068,520
<b>Total Industrials</b>	<b>34,000,020</b>	<b>533,926,240</b>
<b>Total Private Common Stocks</b>	<b>94,000,020</b>	<b>594,826,206</b>
<b>Private Convertible Preferred Stocks (0.00%)</b>		
<b>Unclassified (0.00%)</b>		
Unclassified (0.00%)		
21,213,656 Northvolt AB, Series E2 (Sweden) <sup>1,2,3,7</sup>	7,843,621	0

## Portfolio of Investments

### Baron Partners Fund (continued)

Shares	Cost	Value
<b>Private Preferred Stocks (12.71%)</b>		
<b>Industrials (12.71%)</b>		
<b>Aerospace &amp; Defense (12.71%)</b>		
311,111 Space Exploration Technologies Corp., Cl A <sup>1,3,4</sup>	\$ 41,999,985	\$ 659,555,320
131,657 Space Exploration Technologies Corp., Cl I <sup>1,3,4</sup>	22,250,032	279,112,840
44,146 Space Exploration Technologies Corp., Series N <sup>1,3,4</sup>	11,919,420	93,589,520
<b>Total Private Preferred Stocks</b>	<b>76,169,437</b>	<b>1,032,257,680</b>
<b>Total Investments (106.49%)</b>	<b>\$ 1,682,182,036</b>	<b>8,651,701,334</b>
<b>Liabilities Less Cash and Other Assets (-6.49%)</b>		<b>(527,471,387)</b>
<b>Net Assets</b>		<b>\$ 8,124,229,947</b>

% Represents percentage of net assets.

<sup>1</sup> Non-income producing securities.

<sup>2</sup> Foreign corporation.

<sup>3</sup> At September 30, 2025, the market value of restricted securities amounted to \$1,643,722,901 or 20.23% of net assets.

<sup>4</sup> The Adviser has reclassified/classified certain securities in or out of this sub-industry. Such reclassifications/classifications are not supported by S&P or MSCI.

<sup>5</sup> Investors in the Fund may view Tesla, Inc.'s financial statements on the EDGAR website of the U.S. Securities and Exchange Commission by going to <https://www.sec.gov/cgi-bin/browse-edgar?CIK=1318605&owner=exclude>. Please note that the Fund is not responsible for Tesla's financial statements and can provide no assurances as to their accuracy or completeness.

<sup>6</sup> All or a portion of this security is pledged with the custodian in connection with the Fund's loans payable outstanding. At September 30, 2025, the total market value of pledged securities amounted to \$1,177,814,442 or 14.50% of net assets.

<sup>7</sup> The Adviser reclassified sector and sub-industry to Unclassified as a result of the company declaring bankruptcy and no longer having a principal business activity.

## Baron Fifth Avenue Growth Fund

Shares	Cost	Value
<b>Common Stocks (92.98%)</b>		
<b>Communication Services (13.75%)</b>		
<b>Advertising (0.26%)</b>		
40,000 The Trade Desk, Inc., Cl A <sup>1</sup>	\$ 1,811,248	\$ 1,960,400
<b>Interactive Media &amp; Services (13.49%)</b>		
154,207 Alphabet, Inc., Cl A	25,748,132	37,487,721
89,102 Meta Platforms Inc., Cl A	6,261,802	65,434,727
	32,009,934	102,922,448
<b>Total Communication Services</b>	<b>33,821,182</b>	<b>104,882,848</b>
<b>Consumer Discretionary (19.51%)</b>		
<b>Automobile Manufacturers (4.33%)</b>		
74,227 Tesla, Inc. <sup>1</sup>	16,024,679	33,010,231
<b>Broadline Retail (15.18%)</b>		
284,121 Amazon.com, Inc. <sup>1</sup>	2,673,396	62,384,448
644,327 Coupang, Inc. <sup>1</sup>	11,478,357	20,747,330
13,982 MercadoLibre, Inc. <sup>1</sup>	9,633,147	32,675,095
	23,784,900	115,806,873
<b>Total Consumer Discretionary</b>	<b>39,809,579</b>	<b>148,817,104</b>
<b>Financials (7.11%)</b>		
<b>Asset Management &amp; Custody Banks (3.31%)</b>		
194,534 KKR & Co., Inc.	24,411,993	25,279,694
<b>Transaction &amp; Payment Processing Services (3.80%)</b>		
8,265 Adyen N.V., 144A (Netherlands) <sup>1,2</sup>	7,869,686	13,299,040
216,528 Block, Inc. <sup>1</sup>	13,147,033	15,648,478
	21,016,719	28,947,518
<b>Total Financials</b>	<b>45,428,712</b>	<b>54,227,212</b>
<b>Health Care (8.58%)</b>		
<b>Biotechnology (3.09%)</b>		
31,913 argenx SE, ADR <sup>1,2</sup>	10,452,575	23,537,752
<b>Health Care Equipment (2.54%)</b>		
43,393 Intuitive Surgical, Inc. <sup>1</sup>	5,068,231	19,406,651
<b>Health Care Technology (1.16%)</b>		
29,805 Veeva Systems, Inc., Cl A <sup>1</sup>	1,809,733	8,879,208
<b>Life Sciences Tools &amp; Services (1.02%)</b>		
4,609 GRAIL, Inc. <sup>1,4</sup>	28,246	272,530
79,150 Illumina, Inc. <sup>1</sup>	5,311,490	7,516,876
	5,339,736	7,789,406
<b>Pharmaceuticals (0.77%)</b>		
7,654 Eli Lilly & Co.	5,255,146	5,840,002
<b>Total Health Care</b>	<b>27,925,421</b>	<b>65,453,019</b>
<b>Information Technology (44.03%)</b>		
<b>Application Software (6.25%)</b>		
34,277 Atlassian Corp., Cl A <sup>1,2</sup>	4,849,201	5,474,037
47,676 Figma, Inc., Cl A <sup>1</sup>	1,573,308	2,472,954
516,296 Samsara, Inc., Cl A <sup>1</sup>	19,298,246	19,232,026
22,215 ServiceNow, Inc. <sup>1,4</sup>	6,286,237	20,444,020
	32,006,992	47,623,037
<b>Internet Services &amp; Infrastructure (5.19%)</b>		
266,539 Shopify, Inc., Cl A <sup>1,2</sup>	12,692,489	39,610,361

Shares	Cost	Value
<b>Common Stocks (continued)</b>		
<b>Information Technology (continued)</b>		
<b>Semiconductor Materials &amp; Equipment (2.83%)</b>		
22,279 ASML Holding N.V. <sup>2</sup>	\$ 3,361,032	\$ 21,568,077
<b>Semiconductors (17.64%)</b>		
519,452 NVIDIA Corp.	6,777,239	96,919,354
134,629 Taiwan Semiconductor Manufacturing Co., Ltd., ADR <sup>2</sup>	25,068,889	37,600,534
	31,846,128	134,519,888
<b>Systems Software (12.12%)</b>		
136,622 Cloudflare, Inc., Cl A <sup>1,4</sup>	10,915,869	29,317,715
31,391 CrowdStrike Holdings, Inc., Cl A <sup>1</sup>	3,289,692	15,393,518
167,782 Datadog, Inc., Cl A <sup>1,4</sup>	11,033,720	23,892,157
105,702 Snowflake, Inc., Cl A <sup>1,4</sup>	13,141,494	23,841,086
	38,380,775	92,444,476
<b>Total Information Technology</b>	<b>118,287,416</b>	<b>335,765,839</b>
<b>Total Common Stocks</b>	<b>265,272,310</b>	<b>709,146,022</b>
<b>Private Common Stocks (1.49%)</b>		
<b>Industrials (1.49%)</b>		
<b>Aerospace &amp; Defense (1.49%)</b>		
41,330 Space Exploration Technologies Corp., Cl A <sup>1,3,4</sup>	1,932,253	8,761,960
12,240 Space Exploration Technologies Corp., Cl C <sup>1,3,4</sup>	567,691	2,594,880
<b>Total Private Common Stocks</b>	<b>2,499,944</b>	<b>11,356,840</b>
<b>Private Preferred Stocks (0.79%)</b>		
<b>Communication Services (0.77%)</b>		
<b>Interactive Media &amp; Services (0.77%)</b>		
161,662 X.AI Holdings Corp., Series C <sup>1,3,4</sup>	3,499,982	5,910,363
<b>Industrials (0.02%)</b>		
<b>Passenger Ground Transportation (0.02%)</b>		
133,288 GM Cruise Holdings LLC, Cl G <sup>1,3,4</sup>	3,512,139	133,288
<b>Total Private Preferred Stocks</b>	<b>7,012,121</b>	<b>6,043,651</b>
<b>Total Investments (95.26%)</b>	<b>\$ 274,784,375</b>	<b>726,546,513</b>
<b>Cash and Other Assets</b>		
<b>Less Liabilities (4.74%)</b>		<b>36,177,840</b>
<b>Net Assets</b>		<b>\$ 762,724,353</b>

% Represents percentage of net assets.

<sup>1</sup> Non-income producing securities.

<sup>2</sup> Foreign corporation.

<sup>3</sup> At September 30, 2025, the market value of restricted securities, excluding Rule 144A securities as separately described below, amounted to \$17,400,491 or 2.28% of net assets.

<sup>4</sup> The Adviser has reclassified/classified certain securities in or out of this sub-industry. Such reclassifications/classifications are not supported by S&P or MSCI.

ADR American Depositary Receipt.

<sup>144A</sup> Security is exempt from registration pursuant to Rule 144A under the Securities Act of 1933. This security may be resold in transactions that are exempt from registration, normally to qualified institutional buyers. At September 30, 2025, the market value of Rule 144A securities amounted to \$13,299,040 or 1.74% of net assets.

## Portfolio of Investments

### Baron Focused Growth Fund

Shares	Cost	Value
<b>Common Stocks (85.44%)</b>		
<b>Communication Services (8.05%)</b>		
<b>Movies &amp; Entertainment (8.05%)</b>		
265,000 Live Nation Entertainment, Inc. <sup>1</sup>	\$ 35,488,718	\$ 43,301,000
262,000 Spotify Technology SA <sup>1,2</sup>	35,016,218	182,876,000
<b>Total Communication Services</b>	<b>70,504,936</b>	<b>226,177,000</b>
<b>Consumer Discretionary (40.03%)</b>		
<b>Apparel, Accessories &amp; Luxury Goods (2.02%)</b>		
8,493,569 Figs, Inc., CI A <sup>1</sup>	65,129,065	56,821,976
<b>Automobile Manufacturers (9.73%)</b>		
615,000 Tesla, Inc. <sup>1</sup>	8,168,271	273,502,800
<b>Casinos &amp; Gaming (6.02%)</b>		
875,000 Las Vegas Sands Corp.	33,668,402	47,066,250
2,000,000 Red Rock Resorts, Inc., CI A	84,374,710	122,120,000
	118,043,112	169,186,250
<b>Education Services (1.26%)</b>		
109,700 Duolingo, Inc. <sup>1</sup>	35,805,690	35,305,848
<b>Footwear (8.45%)</b>		
2,535,000 Birkenstock Holding PLC <sup>1,2</sup>	121,506,204	114,708,750
2,900,000 On Holding AG, CI A <sup>1,2</sup>	107,673,065	122,815,000
	229,179,269	237,523,750
<b>Homebuilding (1.40%)</b>		
285,000 Toll Brothers, Inc.	30,630,554	39,369,900
<b>Hotels, Resorts &amp; Cruise Lines (7.25%)</b>		
214,000 Airbnb, Inc., CI A <sup>1</sup>	25,146,087	25,983,880
625,000 Choice Hotels International, Inc.	61,670,077	66,818,750
781,500 Hyatt Hotels Corp., CI A	63,750,711	110,918,295
	150,566,875	203,720,925
<b>Leisure Facilities (3.90%)</b>		
733,842 Vail Resorts, Inc.	124,376,562	109,760,748
<b>Total Consumer Discretionary</b>	<b>761,899,398</b>	<b>1,125,192,197</b>
<b>Financials (15.21%)</b>		
<b>Financial Exchanges &amp; Data (5.88%)</b>		
125,000 FactSet Research Systems, Inc.	25,848,439	35,811,250
228,000 MSCI, Inc.	122,399,179	129,369,480
	148,247,618	165,180,730
<b>Investment Banking &amp; Brokerage (6.43%)</b>		
2,160,000 Interactive Brokers Group, Inc., CI A	47,496,721	148,629,600
490,000 Jefferies Financial Group, Inc.	19,400,226	32,055,800
	66,896,947	180,685,400
<b>Property &amp; Casualty Insurance (2.90%)</b>		
900,000 Arch Capital Group Ltd. <sup>1,2</sup>	25,104,585	81,657,000
<b>Total Financials</b>	<b>240,249,150</b>	<b>427,523,130</b>

Shares	Cost	Value
<b>Common Stocks (continued)</b>		
<b>Health Care (5.42%)</b>		
<b>Health Care Equipment (5.42%)</b>		
238,500 IDEXX Laboratories, Inc. <sup>1</sup>	\$ 101,512,967	\$ 152,375,265
<b>Industrials (2.07%)</b>		
<b>Research &amp; Consulting Services (2.07%)</b>		
232,000 Verisk Analytics, Inc.	49,232,694	58,350,320
<b>Information Technology (9.82%)</b>		
<b>Application Software (6.25%)</b>		
169,502 Figma, Inc., CI A <sup>1</sup>	5,593,566	8,792,069
556,300 Guidewire Software, Inc. <sup>1</sup>	53,334,636	127,871,118
1,050,000 Samsara, Inc., CI A <sup>1</sup>	39,461,663	39,112,500
	98,389,865	175,775,687
<b>Internet Services &amp; Infrastructure (3.57%)</b>		
675,000 Shopify, Inc., CI A <sup>1,2</sup>	34,732,649	100,311,750
<b>Total Information Technology</b>	<b>133,122,514</b>	<b>276,087,437</b>
<b>Real Estate (4.84%)</b>		
<b>Office REITs (0.83%)</b>		
1,500,000 Douglas Emmett, Inc.	20,868,019	23,355,000
<b>Real Estate Services (4.01%)</b>		
1,336,700 CoStar Group, Inc. <sup>1</sup>	68,841,484	112,777,379
<b>Total Real Estate</b>	<b>89,709,503</b>	<b>136,132,379</b>
<b>Total Common Stocks</b>	<b>1,446,231,162</b>	<b>2,401,837,728</b>
<b>Private Common Stocks (7.60%)</b>		
<b>Industrials (7.60%)</b>		
<b>Aerospace &amp; Defense (7.60%)</b>		
710,774 Space Exploration Technologies Corp., CI A <sup>1,3,4</sup>	43,606,093	150,684,088
297,815 Space Exploration Technologies Corp., CI C <sup>1,3,4</sup>	39,593,560	63,136,780
<b>Total Private Common Stocks</b>	<b>83,199,653</b>	<b>213,820,868</b>
<b>Private Preferred Stocks (6.33%)</b>		
<b>Communication Services (2.17%)</b>		
<b>Interactive Media &amp; Services (2.17%)</b>		
1,670,843 X.AI Holdings Corp., CI B <sup>1,3,4</sup>	19,999,991	61,086,020
<b>Health Care (0.18%)</b>		
<b>Health Care Equipment (0.18%)</b>		
99,010 Neuralink Corp., Series E <sup>1,3,4</sup>	5,000,005	5,000,005



## Baron Focused Growth Fund (continued)

Shares		Cost	Value
<b>Private Preferred Stocks (continued)</b>			
<b>Industrials (3.98%)</b>			
<b>Aerospace &amp; Defense (3.98%)</b>			
29,630	Space Exploration Technologies Corp., Cl A <sup>1,3,4</sup>	\$ 4,000,050	\$ 62,815,600
1,479	Space Exploration Technologies Corp., Cl I <sup>1,3,4</sup>	249,951	3,135,480
12,346	Space Exploration Technologies Corp., Series K <sup>1,3,4</sup>	10,000,260	26,173,520
9,259	Space Exploration Technologies Corp., Series N <sup>1,3,4</sup>	2,499,930	19,629,080
<b>Total Industrials</b>		<u>16,750,191</u>	<u>111,753,680</u>
<b>Total Private Preferred Stocks</b>		<u>41,750,187</u>	<u>177,839,705</u>
<b>Total Investments (99.37%)</b>		<u>\$ 1,571,181,002</u>	<u>2,793,498,301</u>
<b>Cash and Other Assets</b>			
<b>Less Liabilities (0.63%)</b>			<u>17,571,333</u>
<b>Net Assets</b>			<u>\$ 2,811,069,634</u>

% Represents percentage of net assets.

<sup>1</sup> Non-income producing securities.

<sup>2</sup> Foreign corporation.

<sup>3</sup> At September 30, 2025, the market value of restricted securities amounted to \$391,660,573 or 13.93% of net assets.

<sup>4</sup> The Adviser has reclassified/classified certain securities in or out of this sub-industry. Such reclassifications/classifications are not supported by S&P or MSCI.

## Portfolio of Investments

### Baron International Growth Fund

Shares	Cost	Value
<b>Common Stocks (98.49%)</b>		
<b>Australia (3.11%)</b>		
781,639 Lynas Rare Earths Ltd. <sup>1</sup>	\$ 3,422,208	\$ 8,684,092
44,709 WiseTech Global Ltd.	3,243,489	2,672,853
<b>Total Australia</b>	<b>6,665,697</b>	<b>11,356,945</b>
<b>Brazil (1.33%)</b>		
91,932 Afya Ltd., CI A	1,202,000	1,434,139
209,028 Localiza Rent a Car SA	2,090,615	1,549,374
99,987 XP, Inc., CI A	1,743,684	1,878,756
<b>Total Brazil</b>	<b>5,036,299</b>	<b>4,862,269</b>
<b>Canada (5.07%)</b>		
21,466 Agnico Eagle Mines Ltd.	1,008,178	3,618,309
2,390 Constellation Software, Inc.	53,722	6,488,016
566,261 Lundin Mining Corp.	5,896,459	8,446,920
<b>Total Canada</b>	<b>6,958,356</b>	<b>18,553,245</b>
<b>Chile (0.28%)</b>		
24,208 Sociedad Quimica y Minera de Chile SA, ADR <sup>1</sup>	1,064,957	1,040,460
<b>China (11.04%)</b>		
25,562 Alibaba Group Holding Limited, ADR	2,274,176	4,568,696
129,050 BYD Co. Ltd., CI H	1,978,375	1,824,080
93,829 Contemporary Amperex Technology Co. Ltd., CI A	2,952,794	5,321,364
375,415 Full Truck Alliance Co. Ltd., ADR	2,520,394	4,869,133
43,749 GDS Holdings Ltd., ADR1	1,741,120	1,693,086
1,585,135 Kingdee International Software Group Co. Ltd. <sup>1</sup>	1,300,556	3,554,626
186,537 Kuaishou Technology, 144A <sup>1</sup>	1,851,116	2,017,557
102,453 Pony AI, Inc., ADR <sup>1</sup>	1,373,916	2,304,168
36,130 Tencent Holdings Limited	360,921	3,078,623
30,858 Tencent Holdings Limited, ADR	1,262,955	2,627,559
100,055 Tencent Music Entertainment Group, ADR	917,082	2,335,284
96,846 Zai Lab Limited, ADR <sup>1</sup>	2,173,913	3,282,111
413,990 Zhejiang Shuanghuan Driveline Co. Ltd., CI A	1,970,529	2,906,628
<b>Total China</b>	<b>22,677,847</b>	<b>40,382,915</b>
<b>Denmark (0.33%)</b>		
21,441 Novo Nordisk AS, ADR	2,108,773	1,189,761
<b>France (10.44%)</b>		
24,853 Airbus SE	4,221,364	5,803,819
100,573 BNP Paribas S.A.	4,235,701	9,198,689
9,368 EssilorLuxottica SA	2,788,089	3,051,661
69,868 Eurofins Scientific SE	915,045	5,095,223
2,575 LVMH Moët Hennessy Louis Vuitton SE	575,757	1,584,607
18,941 Pernod Ricard SA	2,063,214	1,864,754
67,156 TotalEnergies SE	4,000,850	4,090,379
293,272 Waga Energy SA <sup>1</sup>	7,480,413	7,472,478
<b>Total France</b>	<b>26,280,433</b>	<b>38,161,610</b>

Shares	Cost	Value
<b>Common Stocks (continued)</b>		
<b>Germany (3.05%)</b>		
216,214 Deutsche Bank AG	\$ 5,088,058	\$ 7,656,138
40,028 Symrise AG	2,570,857	3,481,245
<b>Total Germany</b>	<b>7,658,915</b>	<b>11,137,383</b>
<b>Greece (0.89%)</b>		
384,597 Piraeus Financial Holdings SA	2,188,473	3,266,852
<b>India (8.39%)</b>		
241,533 Bharti Airtel Ltd. PP	1,239,337	3,829,466
100,386 Centum Electronics Ltd.	2,798,315	3,022,329
694,955 Eternal Ltd. <sup>1</sup>	2,173,624	2,551,273
144,184 Godrej Consumer Products Ltd.	1,787,602	1,894,547
46,479 Godrej Properties Ltd. <sup>1</sup>	655,434	1,031,427
48,599 InterGlobe Aviation Ltd., 144A	2,170,907	3,055,256
409,321 Jio Financial Services Ltd.	940,358	1,349,557
1,032,944 JM Financial Limited	1,029,913	1,858,339
41,599 Kaynes Technology India Ltd. <sup>1</sup>	1,505,598	3,308,558
195,730 Max Healthcare Institute Ltd.	1,569,428	2,457,296
212,450 Nippon Life India Asset Management Ltd., 144A	680,488	2,079,314
156,999 Reliance Industries Limited	1,333,972	2,411,474
34,657 Trent Ltd.	709,935	1,824,466
<b>Total India</b>	<b>18,594,911</b>	<b>30,673,302</b>
<b>Ireland (2.04%)</b>		
450,335 Bank of Ireland Group PLC	3,383,558	7,456,342
<b>Israel (3.32%)</b>		
8,658 CyberArk Software Ltd. <sup>1</sup>	1,511,981	4,183,113
91,649 Oddity Tech Ltd., CI A <sup>1</sup>	2,960,442	5,709,733
12,664 Wix.com Ltd. <sup>1</sup>	564,644	2,249,506
<b>Total Israel</b>	<b>5,037,067</b>	<b>12,142,352</b>
<b>Italy (0.87%)</b>		
123,454 Stevanato Group SpA	2,602,250	3,178,940
<b>Japan (11.93%)</b>		
257,742 Ajinomoto Co., Inc.	4,822,974	7,389,259
354,169 Japan Exchange Group, Inc.	3,591,741	3,954,995
12,488 Keyence Corporation	3,522,986	4,652,537
451,826 Mitsubishi UFJ Financial Group, Inc., ADR	4,403,131	7,202,106
775,315 Nomura Holdings, Inc.	5,623,756	5,682,026
27,800 Recruit Holdings Co, Ltd.	421,608	1,494,635
163,200 SMS Co. Ltd.	3,063,711	1,719,929
236,473 Sumitomo Mitsui Financial Group, Inc.	3,497,215	6,652,661
27,459 Tokyo Electron Limited	3,200,212	4,867,574
<b>Total Japan</b>	<b>32,147,334</b>	<b>43,615,722</b>

## Baron International Growth Fund (continued)

Shares	Cost	Value
<b>Common Stocks (continued)</b>		
<b>Korea, Republic of (5.46%)</b>		
88,076 Coupang, Inc. <sup>1</sup>	\$ 1,022,449	\$ 2,836,047
11,540 HD Hyundai Heavy Industries Co. Ltd.	1,058,569	4,238,677
24,761 HD Korea Shipbuilding & Offshore Engineering Co. Ltd.	1,647,034	7,255,453
31,106 ISC Co. Ltd.	1,282,093	1,728,273
12,675 Park Systems Corp.	1,663,012	2,337,915
6,255 SK Hynix, Inc.	827,351	1,550,601
<b>Total Korea, Republic of</b>	<b>7,500,508</b>	<b>19,946,966</b>
<b>Netherlands (7.35%)</b>		
177,363 AMG Critical Materials NV	4,101,916	5,996,522
13,939 argenx SE, ADR <sup>1</sup>	390,710	10,280,849
14,917 DSM-Firmenich AG	1,533,723	1,272,693
44,855 Prosus NV	1,573,846	3,171,923
212,781 Universal Music Group NV	4,718,259	6,148,830
<b>Total Netherlands</b>	<b>12,318,454</b>	<b>26,870,817</b>
<b>Peru (1.54%)</b>		
21,220 Credicorp, Ltd.	3,216,783	5,650,462
<b>Poland (1.01%)</b>		
300,538 InPost SA <sup>1</sup>	2,185,043	3,700,118
<b>Russia (0.00%)<sup>A</sup></b>		
487,800 Sberbank of Russia PJSC <sup>1,2</sup>	1,650,983	341
<b>Spain (3.43%)</b>		
997,092 eDreams ODIGEO SA1	6,901,668	9,578,686
53,615 Industria de Diseno Textil, S.A.	1,507,153	2,967,260
<b>Total Spain</b>	<b>8,408,821</b>	<b>12,545,946</b>
<b>Sweden (1.48%)</b>		
255,392 Epiroc AB, CI A	4,155,677	5,406,667
<b>Switzerland (1.92%)</b>		
9,759 Compagnie Financiere Richemont SA, CI A	1,377,706	1,873,399
29,116 Nestle S.A.	2,564,309	2,673,875
58,088 On Holding AG, CI A <sup>1</sup>	2,936,891	2,460,027
<b>Total Switzerland</b>	<b>6,878,906</b>	<b>7,007,301</b>
<b>Taiwan (4.24%)</b>		
20,915 eMemory Technology, Inc.	1,581,126	1,391,558
324,960 Taiwan Semiconductor Manufacturing Co., Ltd.	6,703,378	14,115,552
<b>Total Taiwan</b>	<b>8,284,504</b>	<b>15,507,110</b>
<b>United Kingdom (6.72%)</b>		
78,008 AstraZeneca PLC, ADR	2,781,147	5,984,774
161,996 BAE Systems PLC	2,808,494	4,509,388
138,415 Experian plc	2,631,939	6,952,191
14,875 Linde Public Limited Company	2,133,737	7,117,727
<b>Total United Kingdom</b>	<b>10,355,317</b>	<b>24,564,080</b>

Shares	Cost	Value
<b>Common Stocks (continued)</b>		
<b>United States (3.25%)</b>		
41,423 Agilent Technologies, Inc.	\$ 1,587,774	\$ 5,316,642
72,574 Arch Capital Group Ltd. <sup>1</sup>	992,725	6,584,639
<b>Total United States</b>	<b>2,580,499</b>	<b>11,901,281</b>
<b>Total Common Stocks</b>	<b>209,940,365</b>	<b>360,119,187</b>
<b>Warrants (0.00%)</b>		
<b>Canada (0.00%)</b>		
5,029 Constellation Software, Inc. Exp. 3/31/2040 <sup>1,2</sup>	0	0
<b>Total Investments (98.49%)</b>	<b>\$ 209,940,365</b>	<b>360,119,187</b>
<b>Cash and Other Assets</b>		<b>5,514,102</b>
<b>Less Liabilities (1.51%)</b>		
<b>Net Assets</b>		<b>\$ 365,633,289</b>

% Represents percentage of net assets.

<sup>1</sup> Non-income producing securities.

<sup>2</sup> At September 30, 2025, the market value of restricted securities, excluding Rule 144A securities as separately described below, amounted to \$341 or 0.00% of net assets.

<sup>A</sup> Rounds to less than 0.01%.

<sup>ADR</sup> American Depositary Receipt.

<sup>144A</sup> Security is exempt from registration pursuant to Rule 144A under the Securities Act of 1933. This security may be resold in transactions that are exempt from registration, normally to qualified institutional buyers. At September 30, 2025, the market value of Rule 144A securities amounted to \$7,152,127 or 1.96% of net assets.

Summary of Investments by Sector as of September 30, 2025	Percentage of Net Assets (%)
Financials	19.3%
Information Technology	16.4%
Industrials	15.3%
Health Care	10.9%
Materials	10.8%
Consumer Discretionary	10.8%
Communication Services	5.5%
Consumer Staples	5.3%
Energy	3.8%
Real Estate	0.3%
Cash and Cash Equivalents*	1.5%
<b>Total</b>	<b>100.0%**</b>

\* Includes other assets and liabilities-net.

\*\* Individual weights may not sum to 100% due to rounding.

# Portfolio of Investments

## Baron Real Estate Fund

Shares	Cost	Value
<b>Common Stocks (98.16%)</b>		
<b>Consumer Discretionary (25.94%)</b>		
<b>Casinos &amp; Gaming (6.20%)</b>		
316,200 Las Vegas Sands Corp.	\$ 11,094,485	\$ 17,008,398
540,949 Red Rock Resorts, Inc., Cl A	8,370,736	33,030,346
751,478 Wynn Resorts Ltd.	60,995,354	96,392,083
	80,460,575	146,430,827
<b>Home Improvement Retail (3.26%)</b>		
230,050 Floor & Decor Holdings, Inc., Cl A <sup>1</sup>	19,344,016	16,954,685
238,750 Lowe's Companies, Inc.	48,942,712	60,000,263
	68,286,728	76,954,948
<b>Homebuilding (9.57%)</b>		
196,600 D.R. Horton, Inc.	11,356,591	33,317,802
83,687 Installed Building Products, Inc.	11,413,997	20,642,235
909,100 Taylor Morrison Home Corp. <sup>1</sup>	55,802,460	60,009,691
809,800 Toll Brothers, Inc.	66,295,985	111,865,772
	144,869,033	225,835,500
<b>Hotels, Resorts &amp; Cruise Lines (6.91%)</b>		
358,816 Airbnb, Inc., Cl A <sup>1</sup>	40,645,334	43,567,439
218,900 Hilton Worldwide Holdings, Inc.	34,287,301	56,791,416
442,500 Hyatt Hotels Corp., Cl A	53,482,747	62,804,025
	128,415,382	163,162,880
<b>Total Consumer Discretionary</b>	<b>422,031,718</b>	<b>612,384,155</b>
<b>Financials (11.90%)</b>		
<b>Asset Management &amp; Custody Banks (10.92%)</b>		
468,900 Blackstone, Inc.	46,953,665	80,111,565
881,160 Brookfield Asset Management Ltd., Cl A <sup>2</sup>	33,124,546	50,173,250
1,860,700 Brookfield Corp., Cl A <sup>2</sup>	77,277,197	127,606,806
	157,355,408	257,891,621
<b>Mortgage REITs (0.98%)</b>		
1,253,050 Blackstone Mortgage Trust, Inc., Cl A	24,149,651	23,068,651
<b>Total Financials</b>	<b>181,505,059</b>	<b>280,960,272</b>
<b>Industrials (7.38%)</b>		
<b>Building Products (4.09%)</b>		
325,450 Aeon, Inc.	25,201,325	30,410,048
290,000 Advanced Drainage Systems, Inc.	33,790,661	40,223,000
56,300 Builders FirstSource, Inc. <sup>1</sup>	6,563,260	6,826,375
368,700 Trex Co., Inc. <sup>1</sup>	24,499,355	19,050,729
	90,054,601	96,510,152
<b>Construction &amp; Engineering (0.18%)</b>		
140,209 Legence Corp., Cl A <sup>1</sup>	4,161,485	4,319,839
<b>Trading Companies &amp; Distributors (3.11%)</b>		
569,535 SiteOne Landscape Supply, Inc. <sup>1</sup>	68,314,090	73,356,108
<b>Total Industrials</b>	<b>162,530,176</b>	<b>174,186,099</b>
<b>Information Technology (2.75%)</b>		
<b>Internet Services &amp; Infrastructure (2.75%)</b>		
1,677,575 GDS Holdings Ltd., ADR <sup>1,2</sup>	19,866,104	64,922,152

Shares	Cost	Value
<b>Common Stocks (continued)</b>		
<b>Materials (9.13%)</b>		
<b>Construction Materials (6.52%)</b>		
741,400 CRH PLC <sup>2</sup>	\$ 73,124,460	\$ 88,893,860
211,095 Vulcan Materials Co.	45,884,282	64,937,044
	119,008,742	153,830,904
<b>Forest Products (2.61%)</b>		
692,652 Louisiana-Pacific Corp.	62,008,866	61,535,204
<b>Total Materials</b>	<b>181,017,608</b>	<b>215,366,108</b>
<b>Real Estate (41.06%)</b>		
<b>Data Center REITs (4.76%)</b>		
208,351 Digital Realty Trust, Inc.	27,509,183	36,019,721
97,465 Equinix, Inc.	61,808,031	76,338,486
	89,317,214	112,358,207
<b>Health Care REITs (5.33%)</b>		
706,863 Welltower, Inc.	65,982,129	125,920,575
<b>Industrial REITs (3.29%)</b>		
499,650 Goodman Group, (Australia) <sup>2</sup>	11,286,610	10,827,917
582,700 Prologis, Inc.	63,550,387	66,730,804
	74,836,997	77,558,721
<b>Multi-Family Residential REITs (1.13%)</b>		
413,352 Equity Residential	24,613,278	26,756,275
<b>Office REITs (3.46%)</b>		
452,700 BXP, Inc.	32,477,525	33,653,718
1,183,015 Vornado Realty Trust	40,415,620	47,947,598
	72,893,145	81,601,316
<b>Other Specialized REITs (1.20%)</b>		
278,837 Iron Mountain, Inc.	27,144,867	28,424,644
<b>Real Estate Services (14.85%)</b>		
799,898 CBRE Group, Inc., Cl A <sup>1</sup>	73,203,043	126,031,929
855,963 CoStar Group, Inc. <sup>1</sup>	57,334,504	72,217,598
510,242 Jones Lang LaSalle, Inc. <sup>1</sup>	104,827,910	152,194,984
	235,365,457	350,444,511
<b>Retail REITs (2.85%)</b>		
2,164,014 The Macerich Co.	36,187,909	39,385,055
148,150 Simon Property Group, Inc.	23,879,080	27,803,310
	60,066,989	67,188,365
<b>Single-Family Residential REITs (1.02%)</b>		
724,543 American Homes 4 Rent, Cl A	26,533,487	24,091,055
<b>Telecom Tower REITs (3.17%)</b>		
389,585 American Tower Corp.	75,105,710	74,924,987
<b>Total Real Estate</b>	<b>751,859,273</b>	<b>969,268,656</b>
<b>Total Investments (98.16%)</b>	<b>\$ 1,718,809,938</b>	<b>2,317,087,442</b>
<b>Cash and Other Assets</b>		
<b>Less Liabilities (1.84%)</b>		<b>43,431,573</b>
<b>Net Assets</b>		<b>\$ 2,360,519,015</b>

% Represents percentage of net assets.

<sup>1</sup> Non-income producing securities.

<sup>2</sup> Foreign corporation.

ADR American Depositary Receipt.

## Baron Emerging Markets Fund

Shares	Cost	Value
<b>Common Stocks (99.55%)</b>		
<b>Argentina (0.91%)</b>		
14,507 MercadoLibre, Inc. <sup>1</sup>	\$ 28,270,285	\$ 33,901,989
<b>Brazil (4.40%)</b>		
952,514 Afya Ltd., CI A	19,259,274	14,859,218
4,310,377 Banco BTG Pactual SA	29,919,347	39,084,747
8,950,457 GPS Participacoes e Empreendimentos SA, 144A	24,033,608	31,784,234
1,037,623 Inter & Co., Inc., BDR	4,161,533	9,646,594
5,195,663 Localiza Rent a Car SA	32,267,898	38,511,702
1,578,482 XP, Inc., CI A	21,056,662	29,659,677
<b>Total Brazil</b>	<b>130,698,322</b>	<b>163,546,172</b>
<b>Chile (0.60%)</b>		
518,152 Sociedad Quimica y Minera de Chile SA, ADR <sup>1</sup>	22,996,786	22,270,173
<b>China (32.25%)</b>		
879,609 Alibaba Group Holding Limited, ADR	79,819,294	157,212,517
2,652,361 BYD Co. Ltd., CI H	37,926,973	37,490,269
12,977,896 China Mengniu Dairy Co. Ltd.	22,367,595	24,957,095
2,163,742 Contemporary Amperex Technology Co. Ltd., CI A	62,588,266	122,713,230
5,335,017 Full Truck Alliance Co. Ltd., ADR	37,089,674	69,195,170
3,577,035 Fuyao Glass Industry Group Co. Ltd., CI A	25,045,843	36,927,438
848,611 GDS Holdings Ltd., ADR <sup>1</sup>	32,566,588	32,841,246
3,724,515 Jiangsu Hengli Hydraulic Co. Ltd., CI A	30,482,206	50,269,923
1,580,005 KE Holdings, Inc., ADR	34,351,597	30,020,095
32,835,550 Kingdee International Software Group Co. Ltd. <sup>1</sup>	21,795,098	73,632,911
3,338,535 Kuaishou Technology, 144A <sup>1</sup>	32,907,253	36,109,116
2,008,317 Pony AI, Inc., ADR <sup>1</sup>	27,125,241	45,167,049
7,598,341 SF Holding Co. Ltd., CI H	34,288,306	36,252,650
2,052,564 Tencent Holdings Limited	39,576,574	174,898,145
383,748 Tencent Holdings Limited, ADR	16,096,505	32,676,142
1,561,407 Tencent Music Entertainment Group, ADR	14,806,294	36,443,239
3,049,502 Wuxi Biologics Cayman, Inc., 144A1	7,771,138	16,102,938
835,482 XPeng, Inc., ADR <sup>1</sup>	15,996,965	19,566,988
746,871 XPeng, Inc., CI A <sup>1</sup>	5,360,875	8,775,626
1,146,339 Zai Lab Limited, ADR <sup>1</sup>	22,463,966	38,849,429
11,001,732 Zhejiang Sanhua Intelligent Controls Co. Ltd., CI H <sup>1</sup>	36,195,949	61,839,819
8,036,487 Zhejiang Shuanghuan Driveline Co. Ltd., CI A	36,667,867	56,424,253
<b>Total China</b>	<b>673,290,067</b>	<b>1,198,365,288</b>
<b>Greece (0.91%)</b>		
3,992,602 Piraeus Financial Holdings SA	22,367,495	33,914,050

Shares	Cost	Value
<b>Common Stocks (continued)</b>		
<b>India (24.07%)</b>		
7,137,963 Bajaj Finance Limited	\$ 36,657,781	\$ 80,312,651
3,260,221 Bharat Electronics Ltd.	15,325,726	14,839,997
3,110,628 Bharti Airtel Ltd.	21,729,044	65,788,185
751,737 Bharti Airtel Ltd. PP	1,528,050	11,918,666
1,094,620 Cholamandalam Investment & Finance Co. Ltd.	16,752,625	19,835,135
612,172 Cummins India Ltd.	23,752,509	27,090,241
5,733,040 DCW Ltd.	6,391,582	4,388,407
10,704,047 Eternal Ltd. <sup>1</sup>	33,066,267	39,295,988
2,418,193 Godrej Consumer Products Ltd.	27,824,077	31,774,546
746,176 Godrej Properties Ltd. <sup>1</sup>	13,412,697	16,558,581
2,014,590 HDFC Bank Ltd.	15,349,180	21,589,750
761,062 InterGlobe Aviation Ltd., 144A	30,913,855	47,845,415
6,052,752 Jio Financial Services Ltd.	13,922,327	19,956,299
21,911,789 JM Financial Limited	23,532,839	39,420,850
605,252 Kaynes Technology India Ltd. <sup>1</sup>	22,561,462	48,138,451
1,313,203 Kotak Mahindra Bank Ltd.	30,461,831	29,443,688
656,381 Mahindra & Mahindra Ltd.	15,271,886	25,332,767
3,868,757 Max Healthcare Institute Ltd.	36,972,454	48,570,381
3,728,636 Nippon Life India Asset Management Ltd., 144A	11,943,012	36,493,315
232,464 Nuvama Wealth Management Ltd.	7,880,323	16,499,041
9,920,060 Power Grid Corp. of India Ltd.	37,295,073	31,297,179
2,442,914 Reliance Industries Limited	19,685,988	37,522,677
1,924,820 SBI Life Insurance Company Limited, 144A	20,359,114	38,839,058
485,709 SRF Ltd.	15,155,201	15,442,097
14,687,512 Swiggy Ltd. <sup>1</sup>	70,415,153	69,913,261
766,450 Tata Communications Ltd.	3,532,402	13,931,692
751,730 Tata Consumer Products Ltd.	2,609,298	9,564,499
627,123 Trent Ltd.	13,003,639	33,013,952
<b>Total India</b>	<b>587,305,395</b>	<b>894,616,769</b>
<b>Korea, Republic of (14.35%)</b>		
1,817,888 Coupang, Inc. <sup>1</sup>	21,196,760	58,535,994
539,123 Doosan Enerbility Co. Ltd. <sup>1</sup>	10,412,559	24,091,775
608,730 Hanwha Systems Co. Ltd.	9,815,558	25,875,554
165,888 HD Hyundai Heavy Industries Co. Ltd.	8,692,821	60,931,167
374,792 HD Korea Shipbuilding & Offshore Engineering Co. Ltd.	29,231,859	109,821,318
489,062 HPSP Co. Ltd.	10,952,243	11,774,317
222,901 Hyundai Glovis Co. Ltd.	21,511,028	26,295,755
562,652 ISC Co. Ltd.	21,254,977	31,261,367
437,999 Korea Aerospace Industries Ltd.	14,601,679	33,819,560
95,514 Park Systems Corp.	12,227,378	17,617,643
30,218 Samsung Biologics Co. Ltd., 144A <sup>1</sup>	23,243,816	21,534,788
1,055,714 Samsung Electronics Co., Ltd.	24,376,465	63,290,375
194,697 SK Hynix, Inc.	21,237,785	48,264,970
<b>Total Korea, Republic of</b>	<b>228,754,928</b>	<b>533,114,583</b>



## Portfolio of Investments

### Baron Emerging Markets Fund (continued)

Shares	Cost	Value
<b>Common Stocks (continued)</b>		
<b>Mexico (1.72%)</b>		
7,338,111 Grupo Mexico S.A.B. de C.V., Series B	\$ 19,706,568	\$ 63,854,608
<b>Peru (1.77%)</b>		
247,033 Credicorp, Ltd.	29,836,142	65,779,947
<b>Philippines (0.84%)</b>		
13,695,600 BDO Unibank, Inc.	22,938,899	31,273,973
<b>Poland (1.19%)</b>		
768,732 Dino Polska SA, 144A <sup>1</sup>	6,293,440	9,266,011
2,834,399 InPost SA <sup>1</sup>	24,188,921	34,896,120
<b>Total Poland</b>	<b>30,482,361</b>	<b>44,162,131</b>
<b>Russia (0.00%)<sup>^</sup></b>		
17,949,100 Sberbank of Russia PJSC <sup>1,2</sup>	64,430,586	12,536
<b>South Africa (1.20%)</b>		
141,674 Gold Fields Ltd.	1,188,932	5,932,648
333,278 Gold Fields Ltd., ADR	2,669,697	13,984,345
67,849 Naspers Ltd., Cl N	9,531,099	24,654,397
<b>Total South Africa</b>	<b>13,389,728</b>	<b>44,571,390</b>
<b>Spain (0.40%)</b>		
2,176,630 Codere Online Luxembourg, S.A. Private Shares <sup>1</sup>	18,185,897	15,018,747
<b>Taiwan (14.70%)</b>		
140,884 ASPEED Technology, Inc.	16,486,927	23,432,168
1,246,557 Chroma ATE, Inc.	12,239,638	23,789,263
2,556,413 Delta Electronics, Inc.	8,929,911	72,014,388
3,243,260 E Ink Holdings, Inc.	26,398,230	25,767,286
283,393 eMemory Technology, Inc.	21,939,028	18,855,253
8,491,268 Taiwan Semiconductor Manufacturing Co., Ltd.	159,781,913	368,842,123
48,740 Taiwan Semiconductor Manufacturing Co., Ltd., ADR	850,425	13,612,595
<b>Total Taiwan</b>	<b>246,626,072</b>	<b>546,313,076</b>
<b>United Arab Emirates (0.24%)</b>		
29,375,185 Talabat Holding PLC	12,795,986	8,967,267
<b>Total Common Stocks</b>	<b>2,152,075,517</b>	<b>3,699,682,699</b>
<b>Private Common Stocks (1.17%)</b>		
<b>India (1.17%)</b>		
13,643,347 Pine Labs Limited <sup>1,2</sup>	39,999,997	43,271,076
<b>Private Convertible Preferred Stocks (0.00%)<sup>^</sup></b>		
<b>India (0.00%)<sup>^</sup></b>		
15,334 Think & Learn Private Limited, Series F <sup>1,2</sup>	49,776,072	70,906

Shares	Cost	Value
<b>Warrants (0.00%)<sup>^</sup></b>		
<b>Spain (0.00%)<sup>^</sup></b>		
13,259 Codere Online Luxembourg S.A. Private Shares Exp. 11/30/2026 exercise price USD 11.50 <sup>1</sup>	\$ 0	\$ 12,066
<b>Total Investments (100.72%)</b>	<b>\$ 2,241,851,586</b>	<b>3,743,036,747</b>
<b>Liabilities Less Cash and Other Assets (-0.72%)</b>		<b>(26,693,272)</b>
<b>Net Assets</b>		<b>\$ 3,716,343,475</b>

% Represents percentage of net assets.

<sup>1</sup> Non-income producing securities.

<sup>2</sup> At September 30, 2025, the market value of restricted securities, excluding Rule 144A securities as separately described below, amounted to \$43,354,518 or 1.17% of net assets.

<sup>^</sup> Rounds to less than 0.01%.

<sup>ADR</sup> American Depositary Receipt.

<sup>144A</sup> Security is exempt from registration pursuant to Rule 144A under the Securities Act of 1933. This security may be resold in transactions that are exempt from registration, normally to qualified institutional buyers. At September 30, 2025, the market value of Rule 144A securities amounted to \$237,974,875 or 6.40% of net assets.

Summary of Investments by Sector as of September 30, 2025	Percentage of Net Assets (%)
Information Technology	24.7%
Industrials	22.0%
Consumer Discretionary	17.2%
Financials	14.9%
Communication Services	10.0%
Materials	3.4%
Health Care	3.4%
Consumer Staples	2.0%
Real Estate	1.3%
Energy	1.0%
Utilities	0.8%
Cash and Cash Equivalents*	(0.7%)
<b>Total</b>	<b>100.0%**</b>

\* Includes other assets and liabilities-net.

\*\* Individual weights may not sum to 100% due to rounding.

Baron Global Opportunity Fund<sup>A</sup>

Shares	Cost	Value
<b>Common Stocks (88.26%)</b>		
<b>Argentina (8.02%)</b>		
22,871 MercadoLibre, Inc. <sup>1</sup>	\$ 11,646,784	\$ 53,448,155
<b>Brazil (3.79%)</b>		
416,760 Afya Ltd., CI A	7,447,704	6,501,456
1,169,282 NU Holdings Ltd., CI A <sup>1</sup>	14,137,157	18,720,205
<b>Total Brazil</b>	<b>21,584,861</b>	<b>25,221,661</b>
<b>Canada (5.75%)</b>		
257,699 Shopify, Inc., CI A <sup>1</sup>	9,758,407	38,296,648
<b>China (3.20%)</b>		
376,511 GDS Holdings Ltd., ADR <sup>1</sup>	4,277,225	14,570,976
51,155 PDD Holdings, Inc., ADR <sup>1</sup>	7,069,327	6,761,156
<b>Total China</b>	<b>11,346,552</b>	<b>21,332,132</b>
<b>India (7.07%)</b>		
2,031,490 Bajaj Finance Limited <sup>3</sup>	11,299,075	22,857,270
6,607,712 Eternal Ltd. <sup>1</sup>	10,977,766	24,257,794
<b>Total India</b>	<b>22,276,841</b>	<b>47,115,064</b>
<b>Israel (3.27%)</b>		
276,080 Fiverr International Ltd. <sup>1</sup>	6,081,197	6,739,113
84,698 Wix.com Ltd. <sup>1</sup>	8,219,775	15,044,905
<b>Total Israel</b>	<b>14,300,972</b>	<b>21,784,018</b>
<b>Korea, Republic of (5.38%)</b>		
1,112,089 Coupang, Inc. <sup>1</sup>	17,833,026	35,809,266
<b>Netherlands (9.00%)</b>		
8,934 Adyen N.V., 144A <sup>1</sup>	6,863,044	14,375,514
32,477 argenx SE, ADR <sup>1</sup>	1,592,288	23,953,736
22,216 ASML Holding N.V.	4,079,640	21,664,753
<b>Total Netherlands</b>	<b>12,534,972</b>	<b>59,994,003</b>
<b>Poland (1.48%)</b>		
802,024 InPost SA <sup>1</sup>	9,445,913	9,874,236
<b>Spain (1.25%)</b>		
827,902 Codere Online Luxembourg S.A. <sup>1</sup>	7,576,156	5,712,524
375,992 Codere Online Luxembourg, S.A. Private Shares <sup>1</sup>	2,714,710	2,594,345
<b>Total Spain</b>	<b>10,290,866</b>	<b>8,306,869</b>
<b>Taiwan (3.95%)</b>		
94,165 Taiwan Semiconductor Manufacturing Co., Ltd., ADR	19,322,356	26,299,343
<b>United Kingdom (0.16%)</b>		
118,800 Endava plc, ADR <sup>1</sup>	3,504,131	1,081,080

Shares	Cost	Value
<b>Common Stocks (continued)</b>		
<b>United States (35.94%)</b>		
34,207 Bill Holdings, Inc. <sup>1</sup>	\$ 1,296,120	\$ 1,811,945
174,531 Block, Inc. <sup>1</sup>	13,587,006	12,613,355
131,822 Cloudflare, Inc., CI A <sup>1</sup>	2,718,724	28,287,683
16,812 CrowdStrike Holdings, Inc., CI A <sup>1</sup>	832,836	8,244,269
155,204 Datadog, Inc., CI A <sup>1</sup>	5,969,200	22,101,050
40,494 Figma, Inc., CI A <sup>1</sup>	1,336,302	2,100,424
154 GRAIL, Inc. <sup>1</sup>	7,341	9,106
143,738 HeartFlow, Inc. <sup>1</sup>	3,508,686	4,838,221
92,028 Illumina, Inc. <sup>1</sup>	9,839,166	8,739,899
1,423,030 indie Semiconductor, Inc., CI A <sup>1</sup>	8,017,750	5,791,732
142,616 Loar Holdings, Inc. <sup>1</sup>	11,241,736	11,409,280
240,908 Netskope, Inc., CI A <sup>1</sup>	5,279,907	5,475,839
356,883 NVIDIA Corp.	6,728,358	66,587,230
151,177 SailPoint, Inc. <sup>1</sup>	3,415,499	3,337,988
30,984 ServiceTitan, Inc., CI A <sup>1</sup>	2,377,019	3,124,117
95,516 Snowflake, Inc., CI A <sup>1</sup>	11,461,920	21,543,634
27,899 Tesla, Inc. <sup>1</sup>	6,610,652	12,407,243
74,811 Viking Therapeutics, Inc. <sup>1</sup>	4,953,838	1,966,033
63,729 Zscaler, Inc. <sup>1</sup>	2,792,273	19,097,032
<b>Total United States</b>	<b>101,974,333</b>	<b>239,486,080</b>
<b>Total Common Stocks</b>	<b>265,820,014</b>	<b>588,048,555</b>
<b>Private Common Stocks (10.50%)</b>		
<b>United States (10.50%)</b>		
299,761 Farmers Business Network, Inc. <sup>1,2</sup>	12,250,007	557,555
252,130 Space Exploration Technologies Corp., CI A <sup>1,2</sup>	11,571,518	53,451,560
75,250 Space Exploration Technologies Corp., CI C <sup>1,2</sup>	3,428,124	15,953,000
<b>Total Private Common Stocks</b>	<b>27,249,649</b>	<b>69,962,115</b>
<b>Private Convertible Preferred Stocks (0.01%)</b>		
<b>India (0.01%)</b>		
9,201 Think & Learn Private Limited, Series F <sup>1,2</sup>	29,867,591	42,547
<b>Private Preferred Stocks (0.07%)</b>		
<b>United States (0.07%)</b>		
461,004 GM Cruise Holdings LLC, CI G <sup>1,2</sup>	12,147,455	461,004

## Portfolio of Investments

### Baron Global Opportunity Fund<sup>^</sup> (continued)

Shares	Cost	Value
<b>Warrants (0.07%)</b>		
<b>Israel (0.00%)</b>		
228,748 Taboola.com Ltd., Exp. 12/31/2027 exercise price USD 11.50 <sup>1</sup>	\$ 417,099	\$ 19,443
<b>Spain (0.07%)</b>		
502,360 Codere Online Luxembourg S.A. Private Shares, Exp. 11/30/2026 exercise price USD 11.50 <sup>1</sup>	845,632	457,148
<b>Total Warrants</b>	<b>1,262,731</b>	<b>476,591</b>
<b>Total Investments (98.91%)</b>	<b>\$ 336,347,440</b>	<b>658,990,812</b>
<b>Cash and Other Assets</b>		
<b>Less Liabilities (1.09%)</b>		<b>7,276,110</b>
<b>Net Assets</b>		<b>\$ 666,266,922</b>

% Represents percentage of net assets.

<sup>1</sup> Non-income producing securities.

<sup>2</sup> At September 30, 2025, the market value of restricted securities, excluding Rule 144A securities as separately described below, amounted to \$70,465,666 or 10.58% of net assets.

<sup>ADR</sup> American Depositary Receipt.

<sup>144A</sup> Security is exempt from registration pursuant to Rule 144A under the Securities Act of 1933. This security may be resold in transactions that are exempt from registration, normally to qualified institutional buyers. At September 30, 2025, the market value of Rule 144A securities amounted to \$14,375,514 or 2.16% of net assets.

<sup>^</sup> As stated within the Supplement to the Prospectus and Statement of Additional Information dated April 30, 2025, effective October 1, 2025, Baron Global Advantage Fund has changed its name to Baron Global Opportunity Fund. For additional information please refer to the Supplement.

Summary of Investments by Sector as of September 30, 2025	Percentage of Net Assets (%)
Information Technology	45.7%
Consumer Discretionary	22.2%
Industrials	14.7%
Financials	10.3%
Health Care	5.9%
Unclassified	0.1%
Communication Services	0.0% <sup>†</sup>
Cash and Cash Equivalents*	1.1%
<b>Total</b>	<b>100.0%**</b>

<sup>†</sup> Rounds to less than 0.1%.

\* Includes other assets and liabilities-net.

\*\* Individual weights may not sum to 100% due to rounding.

## Baron Discovery Fund

Shares	Cost	Value
<b>Common Stocks (95.20%)</b>		
<b>Communication Services (4.50%)</b>		
<b>Movies &amp; Entertainment (4.50%)</b>		
185,000 Liberty Media Corporation-Liberty Formula One, Cl A <sup>1</sup>	\$ 5,408,362	\$ 17,615,700
700,000 Liberty Media Corporation-Liberty Live Cl C <sup>1</sup>	24,701,179	67,879,000
<b>Total Communication Services</b>	<b>30,109,541</b>	<b>85,494,700</b>
<b>Consumer Discretionary (13.00%)</b>		
<b>Apparel, Accessories &amp; Luxury Goods (0.98%)</b>		
1,700,000 Brunello Cucinelli SpA, ADR <sup>2</sup>	17,641,643	18,624,051
<b>Casinos &amp; Gaming (5.02%)</b>		
1,350,000 DraftKings, Inc., Cl A <sup>1</sup>	27,587,745	50,490,000
350,000 Wynn Resorts Ltd.	26,407,090	44,894,500
	53,994,835	95,384,500
<b>Footwear (2.50%)</b>		
725,000 Birkenstock Holding PLC <sup>1,2</sup>	36,306,218	32,806,250
350,000 On Holding AG, Cl A 1,2	7,945,300	14,822,500
	44,251,518	47,628,750
<b>Home Improvement Retail (1.36%)</b>		
350,000 Floor & Decor Holdings, Inc., Cl A <sup>1</sup>	13,151,955	25,795,000
<b>Restaurants (3.14%)</b>		
185,000 Texas Roadhouse, Inc.	16,383,910	30,737,750
115,000 Wingstop, Inc.	27,352,161	28,943,200
	43,736,071	59,680,950
<b>Total Consumer Discretionary</b>	<b>172,776,022</b>	<b>247,113,251</b>
<b>Consumer Staples (1.83%)</b>		
<b>Soft Drinks &amp; Non-alcoholic Beverages (1.83%)</b>		
1,575,000 Primo Brands Corp.	37,995,724	34,807,500
<b>Financials (4.71%)</b>		
<b>Asset Management &amp; Custody Banks (1.32%)</b>		
385,000 StepStone Group, Inc., Cl A	22,640,673	25,144,350
<b>Insurance Brokers (1.14%)</b>		
785,000 TWFG, Inc. <sup>1</sup>	16,660,641	21,540,400
<b>Property &amp; Casualty Insurance (2.25%)</b>		
550,000 Ategrity Specialty Holdings LLC <sup>1</sup>	9,452,264	10,873,500
75,000 Kinsale Capital Group, Inc.	3,355,498	31,894,500
	12,807,762	42,768,000
<b>Total Financials</b>	<b>52,109,076</b>	<b>89,452,750</b>
<b>Health Care (18.53%)</b>		
<b>Biotechnology (1.27%)</b>		
163,217 Arcellx, Inc. <sup>1</sup>	10,919,477	13,400,116
1,074,609 ARS Pharmaceuticals, Inc. <sup>1</sup>	19,202,095	10,799,820
	30,121,572	24,199,936
<b>Health Care Equipment (3.63%)</b>		
286,000 Integer Holdings Corp. <sup>1</sup>	33,920,655	29,552,380
267,000 Masimo Corp. <sup>1</sup>	36,952,018	39,395,850
	70,872,673	68,948,230

Shares	Cost	Value
<b>Common Stocks (continued)</b>		
<b>Health Care (continued)</b>		
<b>Health Care Supplies (1.83%)</b>		
849,085 Establishment Labs Holdings, Inc. <sup>1,2</sup>	\$ 41,926,650	\$ 34,803,994
<b>Health Care Technology (0.85%)</b>		
480,151 HeartFlow, Inc. <sup>1</sup>	12,042,843	16,161,883
<b>Life Sciences Tools &amp; Services (10.95%)</b>		
2,270,437 CareDx, Inc. <sup>1,3</sup>	27,440,847	33,012,154
1,307,600 Exact Sciences Corp. <sup>1,3</sup>	62,312,009	71,538,796
273,653 Repligen Corp. <sup>1</sup>	39,509,511	36,579,196
1,281,429 STEVANATO GROUP SPA <sup>2</sup>	32,667,703	32,996,797
221,139 Tempus AI, Inc., Cl A <sup>1</sup>	8,411,234	17,848,129
468,790 Veracyte, Inc. <sup>1,3</sup>	11,556,243	16,093,561
	181,897,547	208,068,633
<b>Total Health Care</b>	<b>336,861,285</b>	<b>352,182,676</b>
<b>Industrials (21.14%)</b>		
<b>Aerospace &amp; Defense (12.57%)</b>		
845,368 Karman Holdings, Inc. <sup>1</sup>	23,917,050	61,035,570
617,158 Kratos Defense & Security Solutions, Inc. <sup>1</sup>	5,851,839	56,389,726
629,000 Loar Holdings, Inc. <sup>1</sup>	42,086,950	50,320,000
920,380 Mercury Systems, Inc. <sup>1</sup>	33,144,240	71,237,412
	105,000,079	238,982,708
<b>Building Products (2.55%)</b>		
325,000 AAON, Inc.	24,528,044	30,368,000
350,000 Trex Co., Inc. <sup>1</sup>	16,554,900	18,084,500
	41,082,944	48,452,500
<b>Environmental &amp; Facilities Services (2.05%)</b>		
1,419,000 Montrose Environmental Group, Inc. <sup>1</sup>	32,832,103	38,965,740
<b>Industrial Machinery &amp; Supplies &amp; Components (1.94%)</b>		
375,000 Enerpac Tool Group Corp.	14,358,665	15,375,000
55,000 RBC Bearings, Inc. <sup>1</sup>	11,183,890	21,465,950
	25,542,555	36,840,950
<b>Trading Companies &amp; Distributors (2.03%)</b>		
300,000 SiteOne Landscape Supply, Inc. <sup>1</sup>	26,536,239	38,640,000
<b>Total Industrials</b>	<b>230,993,920</b>	<b>401,881,898</b>
<b>Information Technology (29.75%)</b>		
<b>Application Software (13.01%)</b>		
1,700,000 Alkami Technology, Inc. <sup>1</sup>	40,195,683	42,228,000
1,850,000 Clearwater Analytics Holdings, Inc., Cl A <sup>1</sup>	32,731,155	33,337,000
876,171 Gitlab, Inc., Cl A <sup>1,3</sup>	35,050,535	39,497,789
165,357 Guidewire Software, Inc. <sup>1</sup>	12,700,732	38,008,960
550,000 Intapp, Inc. <sup>1</sup>	21,877,328	22,495,000
500,000 Procore Technologies, Inc. <sup>1</sup>	32,493,235	36,460,000
350,000 ServiceTitan, Inc., Cl A <sup>1</sup>	32,982,419	35,290,500
	208,031,087	247,317,249
<b>Electric Equipment (0.78%)</b>		
375,000 PAR Technology Corp. <sup>1</sup>	8,085,137	14,842,500

# Portfolio of Investments

## Baron Discovery Fund (continued)

Shares	Cost	Value
<b>Common Stocks (continued)</b>		
<b>Information Technology (continued)</b>		
<b>Electronic Equipment &amp; Instruments (4.98%)</b>		
275,321 Advanced Energy Industries, Inc.	\$ 17,644,532	\$ 46,843,115
137,500 Badger Meter, Inc.	26,046,762	24,554,750
232,550 Novanta, Inc. <sup>1,2</sup>	27,085,649	23,289,882
	<u>70,776,943</u>	<u>94,687,747</u>
<b>Semiconductor Materials &amp; Equipment (0.64%)</b>		
38,129 Nova Ltd. <sup>1,2</sup>	859,008	12,188,316
<b>Semiconductors (3.17%)</b>		
5,252,665 indie Semiconductor, Inc., CI A <sup>1</sup>	14,359,110	21,378,347
128,600 SiTime Corp. <sup>1</sup>	18,771,631	38,748,466
	<u>33,130,741</u>	<u>60,126,813</u>
<b>Systems Software (7.17%)</b>		
985,775 Dynatrace, Inc. <sup>1,3</sup>	35,809,923	47,760,798
1,289,460 Netskope, Inc., CI A <sup>1</sup>	28,672,275	29,309,426
2,055,000 SentinelOne, Inc., CI A <sup>1</sup>	35,477,904	36,188,550
401,000 Varonis Systems, Inc. <sup>1</sup>	14,045,657	23,045,470
	<u>114,005,759</u>	<u>136,304,244</u>
<b>Total Information Technology</b>	<u>434,888,675</u>	<u>565,466,869</u>
<b>Materials (0.79%)</b>		
<b>Steel (0.79%)</b>		
450,000 Ramaco Resources, Inc., CI A <sup>1</sup>	9,130,612	14,935,500
<b>Real Estate (0.95%)</b>		
<b>Multi-Family Residential REITs (0.95%)</b>		
1,100,000 Independence Realty Trust, Inc.	21,738,484	18,029,000
<b>Total Investments (95.20%)</b>	<u><b>\$ 1,326,603,339</b></u>	<u><b>1,809,364,144</b></u>
<b>Cash and Other Assets</b>		
<b>Less Liabilities (4.80%)</b>		<u><b>91,323,059</b></u>
<b>Net Assets</b>		<u><b>\$ 1,900,687,203</b></u>

% Represents percentage of net assets.

<sup>1</sup> Non-income producing securities.

<sup>2</sup> Foreign corporation.

<sup>3</sup> The Adviser has reclassified/classified certain securities in or out of this sub-industry. Such reclassifications/classifications are not supported by S&P or MSCI.

<sup>ADR</sup> American Depositary Receipt.



## Baron Durable Advantage Fund

Shares	Cost	Value
<b>Common Stocks (99.87%)</b>		
<b>Communication Services (13.36%)</b>		
Interactive Media & Services (13.36%)		
116,092 Alphabet, Inc., Cl C	\$ 15,513,532	\$ 28,274,207
57,053 Meta Platforms Inc., Cl A	17,492,254	41,898,582
<b>Total Communication Services</b>	<b>33,005,786</b>	<b>70,172,789</b>
<b>Consumer Discretionary (7.77%)</b>		
Broadline Retail (6.77%)		
161,969 Amazon.com, Inc. <sup>1</sup>	23,545,746	35,563,533
Restaurants (1.00%)		
31,516 Texas Roadhouse, Inc.	5,290,548	5,236,384
<b>Total Consumer Discretionary</b>	<b>28,836,294</b>	<b>40,799,917</b>
<b>Consumer Staples (1.12%)</b>		
Consumer Staples Merchandise Retail (1.12%)		
6,349 Costco Wholesale Corp.	3,325,829	5,876,825
<b>Financials (30.81%)</b>		
Asset Management & Custody Banks (6.38%)		
94,599 Blackstone, Inc.	10,626,026	16,162,239
253,265 Brookfield Corp., Cl A <sup>2</sup>	9,805,361	17,368,914
	20,431,387	33,531,153
Diversified Financial Services (2.84%)		
111,830 Apollo Global Management, Inc.	11,700,402	14,903,584
Financial Exchanges & Data (10.39%)		
41,429 CME Group, Inc.	9,296,111	11,193,701
32,029 Moody's Corp.	11,398,217	15,261,178
16,256 MSCI, Inc.	7,988,861	9,223,817
38,811 S&P Global, Inc.	15,626,793	18,889,702
	44,309,982	54,568,398
Investment Banking & Brokerage (3.01%)		
47,584 LPL Financial Holdings, Inc.	12,563,196	15,830,721
Property & Casualty Insurance (1.52%)		
88,182 Arch Capital Group Ltd. <sup>1,2</sup>	5,523,457	8,000,753
Transaction & Payment Processing Services (6.67%)		
24,121 Mastercard, Incorporated, Cl A	9,801,507	13,720,266
62,415 Visa, Inc., Cl A	15,919,404	21,307,233
	25,720,911	35,027,499
<b>Total Financials</b>	<b>120,249,335</b>	<b>161,862,108</b>

Shares	Cost	Value
<b>Common Stocks (continued)</b>		
<b>Health Care (3.60%)</b>		
Life Sciences Tools & Services (3.60%)		
30,329 Danaher Corp.	\$ 6,294,294	\$ 6,013,027
4,318 Mettler-Toledo International, Inc. <sup>1</sup>	5,274,877	5,300,820
15,694 Thermo Fisher Scientific, Inc.	7,391,995	7,611,904
<b>Total Health Care</b>	<b>18,961,166</b>	<b>18,925,751</b>
<b>Industrials (4.88%)</b>		
Aerospace & Defense (4.88%)		
63,732 HEICO Corp., Cl A	9,083,173	16,193,664
7,145 TransDigm Group, Inc. <sup>1</sup>	9,601,710	9,417,253
<b>Total Industrials</b>	<b>18,684,883</b>	<b>25,610,917</b>
<b>Information Technology (34.34%)</b>		
Application Software (2.64%)		
20,283 Intuit, Inc.	10,951,779	13,851,463
Electronic Components (1.31%)		
55,623 Amphenol Corp., Cl A	3,538,949	6,883,346
Semiconductors (24.94%)		
102,986 Broadcom, Inc.	13,807,221	33,976,111
24,555 Monolithic Power Systems, Inc.	13,272,290	22,606,315
228,416 NVIDIA Corp.	12,523,204	42,617,858
113,945 Taiwan Semiconductor Manufacturing Co., Ltd., ADR <sup>2</sup>	15,262,651	31,823,699
	54,865,366	131,023,983
Systems Software (5.45%)		
55,304 Microsoft Corporation	17,392,273	28,644,707
<b>Total Information Technology</b>	<b>86,748,367</b>	<b>180,403,499</b>
<b>Real Estate (3.99%)</b>		
Health Care REITs (1.99%)		
58,760 Welltower, Inc.	7,762,320	10,467,506
Real Estate Services (2.00%)		
124,189 CoStar Group, Inc. <sup>1</sup>	10,849,188	10,477,826
<b>Total Real Estate</b>	<b>18,611,508</b>	<b>20,945,332</b>
<b>Total Investments (99.87%)</b>	<b>\$ 328,423,168</b>	<b>524,597,138</b>
<b>Cash and Other Assets</b>		
<b>Less Liabilities (0.13%)</b>		<b>704,875</b>
<b>Net Assets</b>		<b>\$ 525,302,013</b>

% Represents percentage of net assets.

<sup>1</sup> Non-income producing securities.

<sup>2</sup> Foreign corporation.

ADR American Depositary Receipt.

## Portfolio of Investments

### Baron Real Estate Income Fund

Shares	Cost	Value
<b>Common Stocks (96.92%)</b>		
<b>Consumer Discretionary (6.48%)</b>		
<b>Casinos &amp; Gaming (3.05%)</b>		
14,499 Las Vegas Sands Corp.	\$ 525,425	\$ 779,901
56,233 Wynn Resorts Ltd.	4,376,967	7,213,007
	4,902,392	7,992,908
<b>Homebuilding (1.70%)</b>		
32,315 Toll Brothers, Inc.	3,312,197	4,463,994
<b>Leisure Facilities (1.73%)</b>		
30,373 Vail Resorts, Inc.	4,485,984	4,542,890
<b>Total Consumer Discretionary</b>	<b>12,700,573</b>	<b>16,999,792</b>
<b>Financials (8.56%)</b>		
<b>Asset Management &amp; Custody Banks (6.58%)</b>		
29,907 Blackstone, Inc.	4,214,172	5,109,611
135,800 Brookfield Corp., Cl A <sup>2</sup>	6,463,870	9,313,164
50,239 Brookfield Asset Management Ltd., Cl A <sup>2</sup>	1,629,003	2,860,609
	12,307,045	17,283,384
<b>Mortgage REITs (1.98%)</b>		
281,971 Blackstone Mortgage Trust, Inc., Cl A	5,464,021	5,191,086
<b>Total Financials</b>	<b>17,771,066</b>	<b>22,474,470</b>
<b>Information Technology (2.71%)</b>		
<b>Internet Services &amp; Infrastructure (2.71%)</b>		
183,742 GDS Holdings Ltd., ADR <sup>1,2</sup>	3,207,844	7,110,815
<b>Materials (2.72%)</b>		
<b>Construction Materials (2.72%)</b>		
59,530 CRH PLC <sup>2</sup>	5,986,209	7,137,647
<b>Real Estate (76.45%)</b>		
<b>Data Center REITs (7.29%)</b>		
38,259 Digital Realty Trust, Inc.	5,662,231	6,614,216
15,970 Equinix, Inc.	12,305,031	12,508,343
	17,967,262	19,122,559
<b>Health Care REITs (13.96%)</b>		
131,675 American Healthcare REIT, Inc.	3,719,697	5,531,667
113,625 Ventas, Inc.	6,080,402	7,952,614
129,919 Welltower, Inc.	11,905,190	23,143,770
	21,705,289	36,628,051
<b>Hotel &amp; Resort REITs (1.97%)</b>		
303,455 Host Hotels & Resorts, Inc.	4,351,652	5,164,804
<b>Industrial REITs (14.44%)</b>		
56,445 EastGroup Properties, Inc.	9,452,304	9,553,881
135,675 Goodman Group, (Australia) <sup>2</sup>	2,987,937	2,940,213
199,842 Prologis, Inc.	22,073,113	22,885,906
44,575 Terreno Realty Corp.	2,551,316	2,529,631
	37,064,670	37,909,631

Shares	Cost	Value
<b>Common Stocks (continued)</b>		
<b>Real Estate (continued)</b>		
<b>Multi-Family Residential REITs (3.65%)</b>		
86,633 Equity Residential	\$ 5,203,161	\$ 5,607,754
109,608 Independence Realty Trust, Inc.	1,852,193	1,796,475
58,660 UDR, Inc.	2,425,393	2,185,672
	9,480,747	9,589,901
<b>Office REITs (4.44%)</b>		
55,208 BXP, Inc.	3,832,990	4,104,163
46,032 Kilroy Realty Corp.	1,925,389	1,944,852
138,227 Vornado Realty Trust	4,824,418	5,602,340
	10,582,797	11,651,355
<b>Other Specialized REITs (5.96%)</b>		
102,432 Iron Mountain, Inc.	9,440,425	10,441,918
159,441 VICI Properties, Inc.	4,953,595	5,199,371
	14,394,020	15,641,289
<b>Real Estate Services (3.46%)</b>		
30,450 Jones Lang LaSalle, Inc. <sup>1</sup>	8,457,930	9,082,626
<b>Retail REITs (8.86%)</b>		
48,697 Agree Realty Corp.	3,360,200	3,459,435
473,236 The Macerich Co.	7,596,494	8,612,895
59,520 Simon Property Group, Inc.	9,372,439	11,170,118
	20,329,133	23,242,448
<b>Self Storage REITs (1.75%)</b>		
122,300 Smartstop Self Storage REIT, Inc.	3,669,000	4,603,372
<b>Single-Family Residential REITs (3.83%)</b>		
150,170 American Homes 4 Rent, Cl A	5,158,028	4,993,152
172,251 Invitation Homes, Inc.	5,789,370	5,052,122
	10,947,398	10,045,274
<b>Telecom Tower REITs (6.84%)</b>		
93,327 American Tower Corp.	18,608,425	17,948,649
<b>Total Real Estate</b>	<b>177,558,323</b>	<b>200,629,959</b>
<b>Total Investments (96.92%)</b>	<b>\$ 217,224,015</b>	<b>254,352,683</b>
<b>Cash and Other Assets</b>		
<b>Less Liabilities (3.08%)</b>		
<b>Net Assets</b>		<b>\$ 262,437,699</b>

% Represents percentage of net assets.

<sup>1</sup> Non-income producing securities.

<sup>2</sup> Foreign corporation.

ADR American Depositary Receipt.

## Baron WealthBuilder Fund

Shares	Cost	Value
<b>Affiliated Mutual Funds (100.03%)</b>		
<b>Small Cap (30.23%)</b>		
769,228 Baron Discovery Fund - Institutional Shares	\$ 18,650,783	\$ 27,746,060
842,009 Baron Growth Fund - Institutional Shares	77,314,469	70,964,509
2,074,118 Baron Small Cap Fund - Institutional Shares	66,155,364	69,213,316
<b>Total Small Cap</b>	<b>162,120,616</b>	<b>167,923,885</b>
<b>Small-Mid Cap (7.15%)</b>		
737,638 Baron Focused Growth Fund - Institutional Shares	22,070,991	39,707,036
<b>Mid Cap (9.37%)</b>		
528,747 Baron Asset Fund - Institutional Shares	46,802,863	52,055,171
<b>Large Cap (8.91%)</b>		
730,133 Baron Durable Advantage Fund - Institutional Shares	12,268,523	23,729,316
379,863 Baron Fifth Avenue Growth Fund - Institutional Shares	11,974,863	25,754,736
<b>Total Large Cap</b>	<b>24,243,386</b>	<b>49,484,052</b>
<b>All Cap (20.07%)</b>		
439,959 Baron Opportunity Fund - Institutional Shares	9,931,456	25,407,657
380,961 Baron Partners Fund - Institutional Shares	28,639,688	86,101,105
<b>Total All Cap</b>	<b>38,571,144</b>	<b>111,508,762</b>
<b>Non-U.S./Global (10.67%)</b>		
891,891 Baron Emerging Markets Fund - Institutional Shares	12,222,287	17,614,844
496,367 Baron Global Opportunity Fund - Institutional Shares	13,035,637	23,656,869
537,617 Baron International Growth Fund - Institutional Shares	13,811,934	18,015,539
<b>Total Non-U.S./Global</b>	<b>39,069,858</b>	<b>59,287,252</b>
<b>Sector (13.63%)</b>		
731,647 Baron FinTech Fund - Institutional Shares	9,525,078	13,220,868
775,854 Baron Health Care Fund - Institutional Shares	13,595,125	14,570,543
823,273 Baron Real Estate Fund - Institutional Shares	26,764,321	34,478,659
780,350 Baron Real Estate Income Fund - Institutional Shares	12,186,822	13,453,236
<b>Total Sector</b>	<b>62,071,346</b>	<b>75,723,306</b>
<b>Total Affiliated Mutual Funds (100.03%)</b>	<b>\$ 394,950,204</b>	<b>555,689,464</b>
<b>Liabilities Less Cash and Other Assets (-0.03%)</b>		<b>(142,895)</b>
<b>Net Assets</b>		<b>\$ 555,546,569</b>

% Represents percentage of net assets.

## Portfolio of Investments

### Baron Health Care Fund

Shares	Cost	Value
<b>Common Stocks (94.76%)</b>		
<b>Health Care (94.76%)</b>		
<b>Biotechnology (31.83%)</b>		
21,000 AbbVie, Inc.	\$ 4,116,978	\$ 4,862,340
14,000 Abivax SA, ADR <sup>1,2</sup>	1,168,415	1,188,600
3,500 Alnylam Pharmaceuticals, Inc. <sup>1</sup>	1,179,695	1,596,000
60,000 Arcellx, Inc. <sup>1</sup>	2,374,307	4,926,000
12,500 argenx SE, ADR <sup>1,2</sup>	2,859,093	9,219,500
5,600 Ascendis Pharma AS, ADR <sup>1,2</sup>	980,180	1,113,336
4,500 BioNTech SE, ADR <sup>1,2</sup>	496,491	443,790
17,500 Cidara Therapeutics, Inc. <sup>1</sup>	1,378,370	1,675,800
24,500 Cytokinetix, Inc. <sup>1</sup>	1,267,618	1,346,520
24,000 Gilead Sciences, Inc.	2,679,643	2,664,000
38,200 Insmed, Inc. <sup>1</sup>	2,762,308	5,501,182
25,000 Ionis Pharmaceuticals, Inc. <sup>1</sup>	1,206,925	1,635,500
7,000 Kymera Therapeutics, Inc. <sup>1</sup>	328,263	396,200
2,600 Madrigal Pharmaceuticals, Inc. <sup>1</sup>	1,022,301	1,192,516
5,000 Merus NV <sup>1,2</sup>	334,319	470,750
105,000 Roivant Sciences Ltd. <sup>1,2</sup>	1,407,457	1,588,650
5,200 Vertex Pharmaceuticals, Incorporated <sup>1</sup>	1,246,704	2,036,528
30,000 Xenon Pharmaceuticals, Inc. <sup>1,2</sup>	917,389	1,204,500
	27,726,456	43,061,712
<b>Health Care Distributors (3.03%)</b>		
5,300 McKesson Corp.	3,347,960	4,094,462
<b>Health Care Equipment (23.99%)</b>		
70,000 Boston Scientific Corp. <sup>1</sup>	3,602,489	6,834,100
7,500 DexCom, Inc. <sup>1</sup>	823,467	504,675
28,600 Edwards Lifesciences Corp. <sup>1</sup>	2,216,152	2,224,222
6,000 IDEXX Laboratories, Inc. <sup>1</sup>	2,349,369	3,833,340
5,700 Insulet Corp. <sup>1</sup>	1,691,692	1,759,761
10,700 Intuitive Surgical, Inc. <sup>1</sup>	2,241,838	4,785,361
16,500 MASIMO CORP. <sup>1</sup>	2,612,120	2,434,575
13,500 Penumbra, Inc. <sup>1</sup>	3,741,410	3,419,820
18,000 Stryker Corp.	5,153,712	6,654,060
	24,432,249	32,449,914
<b>Health Care Facilities (2.17%)</b>		
17,500 Encompass Health Corp.	1,870,305	2,222,850
3,500 Tenet Healthcare Corp. <sup>1</sup>	670,505	710,640
	2,540,810	2,933,490
<b>Health Care Services (4.10%)</b>		
13,000 CVS Health Corp.	968,024	980,070
60,000 RadNet, Inc. <sup>1</sup>	2,871,501	4,572,600
	3,839,525	5,552,670

Shares	Cost	Value
<b>Common Stocks (continued)</b>		
<b>Health Care (continued)</b>		
<b>Health Care Technology (2.14%)</b>		
27,000 Doximity, Inc., Cl A <sup>1</sup>	\$ 1,544,878	\$ 1,975,050
27,512 HeartFlow, Inc. <sup>1</sup>	522,728	926,054
	2,067,606	2,901,104
<b>Life Sciences Tools &amp; Services (10.51%)</b>		
17,000 Danaher Corp.	3,615,387	3,370,420
10,000 Exact Sciences Corp. <sup>1,3</sup>	534,623	547,100
3,500 Mettler-Toledo International, Inc. <sup>1</sup>	3,777,592	4,296,635
3,500 Natera, Inc. <sup>1,3</sup>	206,290	563,395
9,000 Thermo Fisher Scientific, Inc.	3,810,387	4,365,180
4,100 West Pharmaceutical Services, Inc.	1,098,966	1,075,553
	13,043,245	14,218,283
<b>Managed Health Care (1.76%)</b>		
9,500 HealthEquity, Inc. <sup>1</sup>	882,212	900,315
4,300 UnitedHealth Group, Incorporated	1,497,684	1,484,790
	2,379,896	2,385,105
<b>Pharmaceuticals (15.23%)</b>		
62,000 AstraZeneca PLC, ADR <sup>2</sup>	4,248,229	4,756,640
16,400 Eli Lilly & Co.	3,464,743	12,513,200
110,000 Teva Pharmaceutical Industries Ltd., ADR <sup>1,2</sup>	1,985,218	2,222,000
4,000 UCB SA (Belgium) <sup>2</sup>	864,207	1,116,540
	10,562,397	20,608,380
<b>Total Investments (94.76%)</b>	<b>\$ 89,940,144</b>	<b>128,205,120</b>
<b>Cash and Other Assets</b>		
<b>Less Liabilities (5.24%)</b>		<b>7,084,905</b>
<b>Net Assets</b>		<b>\$ 135,290,025</b>

% Represents percentage of net assets.

<sup>1</sup> Non-income producing securities.

<sup>2</sup> Foreign corporation.

<sup>3</sup> The Adviser has reclassified/classified certain securities in or out of this sub-industry. Such reclassifications/classifications are not supported by S&P or MSCI.

ADR American Depositary Receipt.

## Baron FinTech Fund

Shares	Cost	Value
<b>Common Stocks (98.48%)</b>		
<b>Consumer Discretionary (4.38%)</b>		
<b>Broadline Retail (4.38%)</b>		
1,330 MercadoLibre, Inc. <sup>1</sup>	\$ 1,958,953	\$ 3,108,130
<b>Financials (71.19%)</b>		
<b>Asset Management &amp; Custody Banks (5.13%)</b>		
1,100 Blackrock, Inc.	810,567	1,282,457
18,200 KKR & Co., Inc.	2,061,144	2,365,090
	2,871,711	3,647,547
<b>Consumer Finance (1.20%)</b>		
4,000 Capital One Financial Corp.	892,395	850,320
<b>Diversified Banks (2.93%)</b>		
130,000 NU Holdings Ltd., Cl A <sup>1,2</sup>	1,062,143	2,081,300
<b>Diversified Financial Services (2.91%)</b>		
15,500 Apollo Global Management, Inc.	1,105,830	2,065,685
<b>Financial Exchanges &amp; Data (18.01%)</b>		
7,000 CME Group, Inc.	1,560,980	1,891,330
3,000 FactSet Research Systems, Inc.	1,238,688	859,470
4,000 Moody's Corp.	1,417,488	1,905,920
5,200 Morningstar, Inc.	1,144,884	1,206,452
3,300 MSCI, Inc.	1,437,141	1,872,453
6,300 S&P Global, Inc.	2,470,145	3,066,273
18,000 Tradeweb Markets, Inc., Cl A	1,466,107	1,997,640
	10,735,433	12,799,538
<b>Insurance Brokers (1.59%)</b>		
18,195 Accelerant Holdings, Cl A <sup>1,2</sup>	382,095	270,924
10,000 Baldwin Insurance Group, Inc. Cl A <sup>1</sup>	287,122	282,100
8,450 Neptune Insurance Holdings, Inc., Cl A <sup>1</sup>	169,000	169,000
15,000 TWFG, Inc. <sup>1</sup>	259,710	411,600
	1,097,927	1,133,624
<b>Investment Banking &amp; Brokerage (17.56%)</b>		
10,000 Houlihan Lokey, Inc.	746,412	2,053,200
42,000 Interactive Brokers Group, Inc., Cl A	906,410	2,890,020
8,000 LPL Financial Holdings, Inc.	1,661,709	2,661,520
21,000 Robinhood Markets, Inc., Cl A <sup>1</sup>	1,011,517	3,006,780
19,500 The Charles Schwab Corp.	1,519,059	1,861,665
	5,845,107	12,473,185
<b>Life &amp; Health Insurance (1.09%)</b>		
2,800 Primerica, Inc.	728,583	777,252
<b>Property &amp; Casualty Insurance (5.68%)</b>		
14,000 Arch Capital Group Ltd. <sup>1,2</sup>	1,139,095	1,270,220
22,904 Ategrity Specialty Holdings LLC <sup>1</sup>	391,331	452,812
1,600 Kinsale Capital Group, Inc.	270,056	680,416
6,600 The Progressive Corp.	757,043	1,629,870
	2,557,525	4,033,318

Shares	Cost	Value
<b>Common Stocks (continued)</b>		
<b>Financials (continued)</b>		
<b>Transaction &amp; Payment Processing Services (15.09%)</b>		
13,000 BLOCK, INC. <sup>1</sup>	\$ 2,253,183	\$ 939,510
5,000 Fiserv, Inc. <sup>1</sup>	500,386	644,650
6,000 Jack Henry & Associates, Inc.	999,875	893,580
5,750 Mastercard, Incorporated, Cl A	1,969,959	3,270,657
9,500 Visa, Inc., Cl A	1,987,631	3,243,110
124,000 Wise PLC, Cl A (United Kingdom) <sup>1,2</sup>	1,430,338	1,728,597
	9,141,372	10,720,104
<b>Total Financials</b>	36,038,026	50,581,873
<b>Industrials (4.64%)</b>		
<b>Research &amp; Consulting Services (4.64%)</b>		
3,500 Equifax, Inc.	791,091	897,855
10,000 TransUnion	965,895	837,800
6,200 Verisk Analytics, Inc.	1,183,525	1,559,362
<b>Total Industrials</b>	2,940,511	3,295,017
<b>Information Technology (17.26%)</b>		
<b>Application Software (14.75%)</b>		
31,000 Alkami Technology, Inc. <sup>1</sup>	806,828	770,040
3,000 Bill Holdings, Inc. <sup>1</sup>	318,719	158,910
28,000 Clearwater Analytics Holdings, Inc., Cl A <sup>1</sup>	657,560	504,560
1,300 Fair Isaac Corp. <sup>1</sup>	561,914	1,945,489
12,700 Guidewire Software, Inc. <sup>1</sup>	1,409,878	2,919,222
16,500 Intapp, Inc. <sup>1</sup>	733,970	674,850
4,000 Intuit, Inc.	1,455,968	2,731,640
7,700 ServiceTitan, Inc., Cl A <sup>1</sup>	671,737	776,391
	6,616,574	10,481,102
<b>Internet Services &amp; Infrastructure (2.51%)</b>		
12,000 Shopify, Inc., Cl A <sup>1,2</sup>	1,691,746	1,783,320
<b>Total Information Technology</b>	8,308,320	12,264,422
<b>Real Estate (1.01%)</b>		
<b>Real Estate Services (1.01%)</b>		
8,500 CoStar Group, Inc. <sup>1</sup>	725,095	717,145
<b>Total Investments (98.48%)</b>	\$ 49,970,905	69,966,587
<b>Cash and Other Assets</b>		
<b>Less Liabilities (1.52%)</b>		1,083,013
<b>Net Assets</b>		\$ 71,049,600

% Represents percentage of net assets.

<sup>1</sup> Non-income producing securities.

<sup>2</sup> Foreign corporation.



## Portfolio of Investments

### Baron India Fund

Shares	Cost	Value
<b>Common Stocks (97.02%)</b>		
<b>Communication Services (8.31%)</b>		
<b>Integrated Telecommunication Services (0.73%)</b>		
8,611 Tata Communications Ltd.	\$ 166,553	\$ 156,521
<b>Movies &amp; Entertainment (0.18%)</b>		
5,854 Tips Music Ltd.	31,149	38,780
<b>Wireless Telecommunication Services (7.40%)</b>		
100,226 Bharti Airtel Ltd. PP	1,371,672	1,589,067
<b>Total Communication Services</b>	<b>1,569,374</b>	<b>1,784,368</b>
<b>Consumer Discretionary (11.51%)</b>		
<b>Apparel Retail (2.18%)</b>		
8,912 Trent Ltd.	428,391	469,159
<b>Apparel, Accessories &amp; Luxury Goods (0.65%)</b>		
3,677 Titan Co. Ltd.	135,284	139,408
<b>Automobile Manufacturers (2.96%)</b>		
16,477 Mahindra & Mahindra Ltd.	556,402	635,923
<b>Consumer Electronics (0.98%)</b>		
1,147 Dixon Technologies India Ltd.	180,029	210,817
<b>Restaurants (4.74%)</b>		
277,269 Eternal Ltd. <sup>1</sup>	743,257	1,017,892
<b>Total Consumer Discretionary</b>	<b>2,043,363</b>	<b>2,473,199</b>
<b>Consumer Staples (3.90%)</b>		
<b>Packaged Foods &amp; Meats (2.02%)</b>		
34,035 Tata Consumer Products Ltd.	413,597	433,038
<b>Personal Care Products (1.88%)</b>		
30,776 Godrej Consumer Products Ltd.	423,178	404,390
<b>Total Consumer Staples</b>	<b>836,775</b>	<b>837,428</b>
<b>Energy (4.49%)</b>		
<b>Oil &amp; Gas Refining &amp; Marketing (4.49%)</b>		
62,819 Reliance Industries Limited	1,029,513	964,887
<b>Financials (28.41%)</b>		
<b>Asset Management &amp; Custody Banks (0.82%)</b>		
15,242 360 ONE WAM Ltd.	155,341	175,584
<b>Consumer Finance (8.04%)</b>		
93,493 Bajaj Finance Limited	874,041	1,051,935
37,276 Cholamandalam Investment & Finance Co. Ltd.	625,564	675,462
	1,499,605	1,727,397
<b>Diversified Banks (13.41%)</b>		
95,789 HDFC Bank Ltd.	1,017,785	1,026,542
88,847 ICICI Bank Ltd.	1,387,562	1,346,498
22,688 Kotak Mahindra Bank Ltd.	513,799	508,694
	2,919,146	2,881,734

Shares	Cost	Value
<b>Common Stocks (continued)</b>		
<b>Financials (continued)</b>		
<b>Diversified Financial Services (2.87%)</b>		
23,662 Bajaj Finserv Ltd.	\$ 521,758	\$ 534,607
24,915 Jio Financial Services Ltd.	71,229	82,146
	592,987	616,753
<b>Investment Banking &amp; Brokerage (0.75%)</b>		
2,286 Nuvama Wealth Management Ltd.	165,092	162,248
<b>Life &amp; Health Insurance (2.52%)</b>		
26,784 SBI Life Insurance Company Limited, 144A	524,754	540,448
<b>Total Financials</b>	<b>5,856,925</b>	<b>6,104,164</b>
<b>Health Care (10.58%)</b>		
<b>Health Care Facilities (10.58%)</b>		
99,377 Aster DM Healthcare Ltd., 144A	582,142	702,719
45,743 HealthCare Global Enterprises Ltd. <sup>1</sup>	308,372	331,421
98,625 Max Healthcare Institute Ltd.	1,259,164	1,238,189
<b>Total Health Care</b>	<b>2,149,678</b>	<b>2,272,329</b>
<b>Industrials (16.90%)</b>		
<b>Aerospace &amp; Defense (3.30%)</b>		
155,727 Bharat Electronics Ltd.	671,685	708,844
<b>Construction &amp; Engineering (0.85%)</b>		
143,191 GMR Power & Urban Infra Ltd. <sup>1</sup>	177,981	182,845
<b>Construction &amp; Machinery &amp; Heavy Trucks (1.73%)</b>		
8,396 Cummins India Ltd.	339,737	371,546
<b>Electrical Components &amp; Equipment (3.00%)</b>		
312,541 Precision Wires India Ltd.	625,812	645,700
<b>Heavy Electrical Equipment (1.42%)</b>		
7,881 Siemens Energy India Ltd. <sup>1,2</sup>	301,773	305,994
<b>Industrial Machinery &amp; Supplies &amp; Components (2.46%)</b>		
16,551 Kirloskar Oil Engines Ltd.	156,237	171,234
14,549 Shaily Engineering Plastics Ltd.	266,288	356,592
	422,525	527,826
<b>Passenger Airlines (4.14%)</b>		
14,138 InterGlobe Aviation Ltd., 144A	798,502	888,809
<b>Total Industrials</b>	<b>3,338,015</b>	<b>3,631,564</b>

## Baron India Fund (continued)

Shares	Cost	Value
<b>Common Stocks (continued)</b>		
<b>Information Technology (9.17%)</b>		
<b>Communications Equipment (0.99%)</b>		
19,225 Astra Microwave Products Ltd.	\$ 225,116	\$ 213,248
<b>Electronic Components (3.12%)</b>		
22,242 Centum Electronics Ltd.	586,283	669,642
<b>Electronic Manufacturing Services (2.01%)</b>		
5,436 Kaynes Technology India Ltd. <sup>1</sup>	332,038	432,350
<b>IT Consulting &amp; Other Services (3.05%)</b>		
9,636 Coforge Ltd.	187,596	172,844
14,798 Tata Consultancy Services Ltd.	645,701	481,664
	<u>833,297</u>	<u>654,508</u>
<b>Total Information Technology</b>	<u>1,976,734</u>	<u>1,969,748</u>
<b>Materials (0.80%)</b>		
<b>Commodity Chemicals (0.38%)</b>		
106,491 DCW Ltd.	95,693	81,514
<b>Diversified Chemicals (0.42%)</b>		
2,825 SRF Ltd.	90,968	89,815
<b>Total Materials</b>	<u>186,661</u>	<u>171,329</u>
<b>Real Estate (0.67%)</b>		
<b>Real Estate Development (0.67%)</b>		
6,481 Godrej Properties Ltd. <sup>1</sup>	149,075	143,822
<b>Utilities (2.28%)</b>		
<b>Electric Utilities (2.28%)</b>		
155,206 Power Grid Corp. of India Ltd.	547,583	489,665
<b>Total Investments (97.02%)</b>	<u>\$ 19,683,696</u>	<u>20,842,503</u>
<b>Cash and Other Assets</b>		
<b>Less Liabilities (2.98%)</b>		<u>640,984</u>
<b>Net Assets</b>		<u>\$ 21,483,487</u>

% Represents percentage of net assets.

<sup>1</sup> Non-income producing securities.

<sup>2</sup> The Adviser has reclassified/classified certain securities in or out of this sub-industry. Such reclassifications/classifications are not supported by S&P or MSCI.

<sup>144A</sup> Security is exempt from registration pursuant to Rule 144A under the Securities Act of 1933. This security may be resold in transactions that are exempt from registration, normally to qualified institutional buyers. At September 30, 2025, the market value of Rule 144A securities amounted to \$2,131,976 or 9.92% of net assets.

# Portfolio of Investments

## Baron Technology Fund

Shares	Cost	Value
<b>Common Stocks (100.11%)</b>		
<b>Communication Services (6.80%)</b>		
<b>Advertising (1.96%)</b>		
41,328 The Trade Desk, Inc., Cl A <sup>1</sup>	\$ 2,999,838	\$ 2,025,485
<b>Movies &amp; Entertainment (4.84%)</b>		
7,145 Spotify Technology SA <sup>1,2</sup>	2,211,215	4,987,210
<b>Total Communication Services</b>	<b>5,211,053</b>	<b>7,012,695</b>
<b>Consumer Discretionary (18.47%)</b>		
<b>Automobile Manufacturers (5.18%)</b>		
12,023 Tesla, Inc. <sup>1</sup>	3,154,483	5,346,868
<b>Broadline Retail (7.00%)</b>		
32,902 Amazon.com, Inc. <sup>1</sup>	6,025,435	7,224,292
<b>Casinos &amp; Gaming (0.72%)</b>		
19,926 DraftKings, Inc., Cl A <sup>1</sup>	641,239	745,232
<b>Education Services (2.67%)</b>		
8,565 Duolingo, Inc. <sup>1</sup>	2,573,171	2,756,560
<b>Restaurants (2.90%)</b>		
814,326 Eternal Ltd. (India) <sup>1,2</sup>	2,455,025	2,989,500
<b>Total Consumer Discretionary</b>	<b>14,849,353</b>	<b>19,062,452</b>
<b>Consumer Staples (0.95%)</b>		
<b>Personal Care Products (0.95%)</b>		
15,772 Oddity Tech Ltd., Cl A <sup>1,2</sup>	803,860	982,596
<b>Health Care (1.56%)</b>		
<b>Health Care Services (1.22%)</b>		
25,598 Hinge Health, Inc., Cl A <sup>1</sup>	857,771	1,256,350
<b>Health Care Technology (0.34%)</b>		
10,476 HeartFlow, Inc. <sup>1</sup>	199,044	352,622
<b>Total Health Care</b>	<b>1,056,815</b>	<b>1,608,972</b>
<b>Industrials (2.88%)</b>		
<b>Aerospace &amp; Defense (0.80%)</b>		
1,146 Axon Enterprise, Inc. <sup>1</sup>	373,645	822,415
<b>Building Products (1.05%)</b>		
11,532 AAON, Inc.	948,085	1,077,550
<b>Construction &amp; Engineering (1.03%)</b>		
2,573 Quanta Services, Inc.	753,826	1,066,303
<b>Total Industrials</b>	<b>2,075,556</b>	<b>2,966,268</b>
<b>Information Technology (67.35%)</b>		
<b>Application Software (7.34%)</b>		
6,343 Atlassian Corp., Cl A <sup>1,2</sup>	1,410,347	1,012,977
4,430 Guidewire Software, Inc. <sup>1</sup>	700,148	1,018,280
22,483 Intapp, Inc. <sup>1</sup>	1,063,559	919,555
57,358 Samsara, Inc., Cl A <sup>1</sup>	2,284,773	2,136,585
1,019 ServiceNow, Inc. <sup>1,3</sup>	805,758	937,765
5,073 SERVICETITAN, INC., Cl A <sup>1</sup>	485,912	511,511
1,180 Synopsys, Inc. <sup>1</sup>	545,334	582,200
9,353 Via Transportation, Inc., Cl A <sup>1</sup>	430,238	449,692
	7,726,069	7,568,565

Shares	Cost	Value
<b>Common Stocks (continued)</b>		
<b>Information Technology (continued)</b>		
<b>Communications Equipment (2.98%)</b>		
7,084 Arista Networks, Inc. <sup>1</sup>	\$ 1,074,819	\$ 1,032,210
12,582 Lumentum Holdings, Inc. <sup>1</sup>	2,024,423	2,047,217
	3,099,242	3,079,427
<b>Electric Equipment (1.27%)</b>		
33,227 PAR Technology Corp. <sup>1</sup>	1,851,182	1,315,125
<b>Electronic Components (1.98%)</b>		
18,994 Coherent Corp. <sup>1</sup>	1,863,139	2,046,034
<b>Internet Services &amp; Infrastructure (2.97%)</b>		
43,546 GDS Holdings Ltd., ADR <sup>1,2</sup>	883,028	1,685,230
9,280 Shopify, Inc., Cl A <sup>1,2</sup>	645,590	1,379,101
	1,528,618	3,064,331
<b>IT Consulting &amp; Other Services (1.13%)</b>		
4,438 Gartner, Inc. <sup>1</sup>	1,097,331	1,166,617
<b>Semiconductor Materials &amp; Equipment (4.19%)</b>		
55,862 HPSP Co. Ltd. (Korea, Republic of) <sup>2</sup>	1,142,988	1,344,895
13,529 Lam Research Corp.	1,095,938	1,811,533
3,642 Nova Ltd. <sup>1,2</sup>	714,829	1,164,202
	2,953,755	4,320,630
<b>Semiconductors (33.13%)</b>		
28,686 Broadcom, Inc.	5,268,487	9,463,798
10,082 eMemory Technology, Inc. (Taiwan) <sup>2</sup>	778,361	670,795
391,539 indie Semiconductor, Inc., Cl A <sup>1</sup>	1,577,976	1,593,564
1,229 Monolithic Power Systems, Inc.	731,853	1,131,466
78,100 NVIDIA Corp.	8,097,215	14,571,898
7,884 Taiwan Semiconductor Manufacturing Co., Ltd. (Taiwan) <sup>2</sup>	161,540	342,464
22,948 Taiwan Semiconductor Manufacturing Co., Ltd., ADR <sup>2</sup>	4,016,981	6,409,147
	20,632,413	34,183,132
<b>Systems Software (10.13%)</b>		
6,569 Cloudflare, Inc., Cl A <sup>1,3</sup>	567,245	1,409,642
7,610 Datadog, Inc., Cl A <sup>1,3</sup>	875,810	1,083,664
8,894 Microsoft Corporation	3,539,613	4,606,647
11,018 Netskope, Inc., Cl A <sup>1</sup>	209,342	250,439
5,077 Snowflake, Inc., Cl A <sup>1,3</sup>	923,909	1,145,117
6,546 Zscaler, Inc. <sup>1</sup>	1,323,559	1,961,575
	7,439,478	10,457,084
<b>Technology Hardware, Storage &amp; Peripherals (2.23%)</b>		
9,030 Apple, Inc.	1,692,490	2,299,309
<b>Total Information Technology</b>	<b>49,883,717</b>	<b>69,500,254</b>

## Baron Technology Fund (continued)

Shares	Cost	Value
<b>Common Stocks (continued)</b>		
<b>Real Estate (2.10%)</b>		
<b>Real Estate Services (2.10%)</b>		
14,588 CoStar Group, Inc. <sup>1</sup>	\$ 1,180,931	\$ 1,230,790
12,150 Zillow Group, Inc., Cl C <sup>1</sup>	1,081,447	936,157
<b>Total Real Estate</b>	<u>2,262,378</u>	<u>2,166,947</u>
<b>Total Investments (100.11%)</b>	<u>\$ 76,142,732</u>	<u>103,300,184</u>
<b>Liabilities Less Cash and Other Assets (-0.11%)</b>		<u>(110,270)</u>
<b>Net Assets</b>		<u>\$ 103,189,914</u>

% Represents percentage of net assets.

<sup>1</sup> Non-income producing securities.

<sup>2</sup> Foreign corporation.

<sup>3</sup> The Adviser has reclassified/classified certain securities in or out of this sub-industry. Such reclassifications/classifications are not supported by S&P or MSCI.

<sup>ADR</sup> American Depositary Receipt.

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