DEAR BARON INTERNATIONAL GROWTH FUND SHAREHOLDER:

PERFORMANCE

Baron International Growth Fund® (the Fund) gained 7.78% (Institutional Shares) during the final quarter of 2023, while its primary benchmark index, the MSCI ACWI ex USA Index (the Benchmark), rallied 9.75%. The MSCI ACWI ex USA IMI Growth Index (the Proxy Benchmark) added 10.99% for the quarter. For the full-year 2023, the Fund appreciated 7.60% while the Benchmark rallied 15.62% and the all-cap growth Proxy Benchmark gained 14.04%. The Fund underperformed the Benchmark and the Proxy Benchmark during the final quarter and the full-year periods. In recent quarters, we have highlighted that we were likely passing through *peak hawkishness*, with better days ahead for the relative performance of non-U.S. equities. Early in the fourth quarter, an increasingly restrictive rise in real yields and slowing U.S. employment and inflation momentum, triggered a re-evaluation of likely U.S. Federal Reserve (the Fed) policy, which the Fed soon confirmed by suggesting its hiking cycle was complete. The Fed also surprised markets by communicating that rate cuts would likely occur sooner and in greater magnitude than investors expected. While we previously believed that the Fed would be too backward-looking and too patient to meaningfully pivot, thereby raising the likelihood of global recession, we were impressed with its more flexible and forward-looking reaction. In short, bond yields and financial conditions reacted swiftly, pricing in rate cuts and easing liquidity conditions. While markets cheered the pivot, evidenced by the largest quarterly gain in global equities in the past 3 years, we believe this event also likely foreshadows the end of the 14-year U.S. dollar bull market, and will usher in a cycle of relative outperformance by non-U.S. equities. While we suspect financial markets may have moved a bit too far, too fast, and some consolidation of gains and market volatility will follow, we believe the time has come for investors to rebalance portfolios in favor of international and emerging market (EM) equities. Of course, we remain confident that our diversified portfolio of well-positioned and well-managed companies will capitalize on their attractive growth potential over the coming years.

MICHAEL KASS

PORTFOLIO MANAGER

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

Table I.
Performance
Annualized for periods ended December 31, 2023

	Baron International Growth Fund Retail Shares[1,2]	Baron International Growth Fund Institutional Shares[1,2,3]	MSCI ACWI ex USA Index[1]	MSCI ACWI ex USA IMI Growth Index[1]
Three Months[4]	7.69%	7.78%	9.75%	10.99%
One Year	7.33%	7.60%	15.62%	14.04%
Three Years	(5.15)%	(4.91)%	1.55%	(2.58)%
Five Years	7.53%	7.79%	7.08%	7.52%
Ten Years	4.92%	5.18%	3.83%	4.60%
Fifteen Years and Since Inception (December 31, 2008)	8.67%	8.94%	6.74%	7.49%

Performance listed in the above table is net of annual operating expenses. The gross annual expense ratio for the Retail Shares and Institutional Shares as of December 31, 2022 was 1.26% and 0.99%, 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 reimburses certain Fund expenses pursuant to a contract expiring on August 29, 2034, 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 baronfunds.com or call 1-800-99-BARON.

1 The **MSCI ACWI ex USA Index Net (USD)** is designed to measure the equity market performance of large and mid cap securities across 22 of 23 Developed Markets (DM) countries (excluding the US) 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 Developed Markets (DM) countries (excluding the United States) and 24 Emerging Markets (EM) countries. MSCI is the source and owner of the trademarks, service marks and copyrights related to the MSCI Indexes. The 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; one cannot invest directly into an index.

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

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

4 Not annualized.

Baron International Growth Fund

For 2023, we underperformed the Benchmark, as well as our all-cap international growth Proxy Benchmark. Much of our underperformance was primarily attributable to a handful of investments (**Meyer Burger Technology AG**, **Cirata plc**, and **S4 Capital plc**) that suffered material price corrections during the year. While we acknowledge 2023 to be a disappointing and difficult year, we believe it was an anomaly given the aggregate impact of the positions that moved against us after idiosyncratic events. We cannot recall such a portfolio event in the 15 years of managing the Fund. From a sector or theme perspective, adverse stock selection effect in the Information Technology (IT) sector, driven by select positions in our sustainability/ESG theme (**Meyer Burger Technology AG**), digitization theme (**Cirata plc**), and China value-added theme (**Glodon Company Limited** and **Kingdee International Software Group Company Limited**), was the largest detractor to relative performance for the year. In addition, poor stock selection in the Industrials sector, primarily attributable to holdings in our sustainability/ESG theme (**Befesa S.A.** and **Ceres Power Holdings plc**), digitization theme (**Full Truck Alliance Co. Ltd.** and **MonotaRO Co., Ltd.**), and Japan staffing theme (**SMS Co., Ltd.**) also weighed on relative results. Finally, weak stock selection effect in the Materials sector, relating once again to investments in our sustainability/ESG theme also adversely impacted relative performance. Partially offsetting the above, solid stock selection across multiple themes within Consumer Discretionary (**eDreams ODIGEO SA**, **Industria de Diseno Textil, S.A.**, **Trent Limited, B&M European Value Retail S.A.**, and **Afya limited**) and Consumer Staples (**ODDITY Tech Ltd.** and **Dino Polska S.A.**) was a positive contributor to relative performance during the year.

From a country perspective for calendar year 2023, poor stock selection effect in the U.K., Switzerland, the Netherlands, France, and China, primarily attributable to the above-mentioned investments, drove the majority of relative underperformance. In our view, the weakness in China was due to the general lack of a material earnings recovery after China terminated its zero-COVID policy in late 2022. The ongoing liquidity strain in China's property sector and geopolitical friction also weighed on broad economic growth and investor sentiment. Partially offsetting the above was solid stock selection effect in Canada, Japan, and Israel along with positive allocation effect in Poland. In addition, favorable allocation effect together with strong stock selection in Spain and India also bolstered relative results.

For the fourth quarter, we underperformed the Benchmark, as well as our Proxy Benchmark. Adverse stock selection effect across multiple themes within the Financials, Health Care, IT, and Materials sectors was the key detractor to relative results. Partly offsetting the above was favorable stock selection in the Consumer Staples and Consumer Discretionary sectors, primarily driven by some of our digitization and EM consumer related investments. From a country perspective, poor stock selection effect in the Netherlands and Switzerland was the key detractor to relative performance during the quarter. We enter 2024 cautiously optimistic and believe the portfolio is well positioned to begin recovering lost ground.

Table II.
Top contributors to performance for the quarter ended December 31, 2023

	Percent Impact
eDreams ODIGEO SA	0.56%
ODDITY Tech Ltd.	0.48
Constellation Software Inc.	0.46
Dino Polska S.A.	0.46
Taiwan Semiconductor Manufacturing Company Limited	0.36

EDreams ODIGEO SA is an online travel agency based in Spain that offers a subscription-based travel savings program for flights and hotels. Shares were up in the fourth quarter, as the company had strong net additions to its Prime subscription program and showed leverage from Prime in its financial results, getting closer towards fiscal year 2025 targets. EDreams has improved its fundamental positioning with a total of 5.1 million subscribers and has demonstrated its relative competitive strength in Europe. The product roadmap should also materially improve the customer value proposition, with the addition of hotels (particularly in Europe's fragmented hotel landscape) and generative artificial intelligence (AI) improvements, which the team has been working on for years. Given the strong customer acquisition, impressive pipeline of new products, and plans for the attractive hotel market, we retain conviction in the long-term opportunity.

ODDITY Tech Ltd. seeks to transform the beauty and wellness market by using proprietary technologies to sell exclusively online. ODDITY sits at a unique intersection among the beauty/wellness, technology, and health care technology spaces. The company is comprised of two brands: IL MAKIAGE, a prestige cosmetics brand; and SpoiledChild, a prestige wellness brand selling skincare, hair care, and supplements. Shares increased after the company announced quarterly results ahead of pre-reported guidance and increased fiscal year 2023 guidance as a result of repeat purchase behavior that was stronger than the company had forecast. Investors were further encouraged by credit card data indicating continued robust performance in the fourth quarter. ODDITY is well positioned to deliver strong, profitable growth as a result of its use of AI and machine learning to drive customer conversion and repeat purchase behavior and capitalize on the consumer shift toward e-commerce in categories that have historically relied on the wholesale model and high-touch retail environments. We remain optimistic regarding ODDITY's long-term opportunity.

Constellation Software Inc., a holding company that owns and operates a large number of vertical-market software businesses, contributed positively to performance. The company reported good quarterly earnings results and continued to execute well on M&A. We retain conviction that Constellation can continue to compound free cash flow per share at a solid rate, and, while the company is not immune to macro conditions, it benefits from a healthy balance sheet, strong profitability and free cash flow generation, and a diversified end-market composition.

Table III.
Top detractors from performance for the quarter ended December 31, 2023

	Percent Impact
Meyer Burger Technology AG	–0.77%
argenx SE	–0.72
AMG Critical Materials N.V.	–0.26
Ceres Power Holdings plc	–0.22
Yum China Holdings Inc.	–0.15

Meyer Burger Technology AG is a Switzerland-based supplier of solar modules. Shares were down due to challenging market conditions in Europe and delays in regulatory support, which prompted the company to halt the expansion of its German solar cell factory and move production equipment to the U.S. In addition, the German government announced plans to cut solar energy spending in response to a federal court ruling on budget limits. We retain conviction in Meyer Burger as a long-term beneficiary of greater localization of energy supply chains and reduced global reliance on China. Meyer Burger's next-generation heterojunction solar modules are more

efficient, resulting in premium prices and much higher margins. The company is also seeing strong order momentum as it ramps up capacity at its U.S. facilities, supported by long-term off-take agreements with key customers. The U.S. Inflation Reduction Act, which provides incentives to manufacture solar modules and cells in the U.S., also provides an additional long-term growth catalyst.

Argenx SE is a biotechnology company focused on autoimmune disorders. Shares fell in the quarter on the back of failed clinical trials in immune thrombocytopenic purpura and pemphigus vulgaris that called into question the applicability of the FcRn treatment landscape. While the exact nature of these data sets is nuanced, in our view, there are now new questions for the FcRn space that have not existed for years. On the positive side, the strong launch of Vyvgart, with early sales tripling consensus expectations and global approvals coming earlier than guided, should continue to drive quite attractive revenue growth, and justifies the current valuation based on cash flow analysis. We expect 2024 to be another year of solid performance, with many catalysts including readouts in myositis, Sjogren's syndrome, multifocal motor neuropathy, and argenx's subcutaneous formulation launch.

AMG Critical Materials N.V. is a European specialty metals and minerals company. Shares fell due to a miss in third quarter earnings and lowered full-year guidance driven by the decline in lithium and vanadium prices principally as a result of weaker demand in China. We retain conviction. The company has a captive customer base with long-term contracts in the energy, transportation, infrastructure, specialty metals, and chemicals industries. Demand for its services is driven by environmental regulations to reduce hazardous waste. In addition, we like the company's growth opportunity in lithium, an essential metal used in electric vehicle (EV) batteries and energy storage. AMG is commissioning its own lithium hydroxide refining plant in Europe to produce higher-value chemicals for the EV battery supply chain, which we think should lead to a higher and more stable margin profile for this business.

Portfolio Structure

Table IV.
Top 10 holdings as of December 31, 2023 – Developed Countries

	Percent of Net Assets
Linde plc	2.8%
eDreams ODIGEO SA	2.6
Constellation Software Inc.	2.4
argenx SE	2.3
Arch Capital Group Ltd.	2.1
AstraZeneca PLC	2.1
Industria de Diseno Textil, S.A.	1.9
BNP Paribas S.A.	1.7
Renesas Electronics Corporation	1.7
Pernod Ricard SA	1.6

Table V.
Top five holdings as of December 31, 2023 – Emerging Countries

	Percent of Net Assets
Taiwan Semiconductor Manufacturing Company Limited	2.0%
InPost S.A.	1.9
HD Korea Shipbuilding & Offshore Engineering Co., Ltd.	1.3
Suzano S.A.	1.3
Dino Polska S.A.	1.3

Table VI.
Percentage of securities in Developed Markets as of December 31, 2023

	Percent of Net Assets
Japan	13.4%
United Kingdom	10.9
France	7.3
Netherlands	6.5
Spain	5.0
Switzerland	3.5
United States	3.5
Canada	3.4
Israel	2.9
Germany	2.9
Denmark	2.0
Sweden	1.2
Ireland	0.9
Italy	0.9
Hong Kong	0.6
Norway	0.6

Table VII.
Percentage of securities in Emerging Markets as of December 31, 2023

	Percent of Net Assets
India	9.5%
China	5.9
Brazil	4.6
Korea	3.9
Poland	3.2
Taiwan	2.0
Mexico	0.9
Peru	0.7

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.

Exposure by Market Cap: The Fund may invest in companies of any market capitalization, and we strive to maintain broad diversification by market cap. At the end of the fourth quarter of 2023, the Fund's median market cap was $14.7 billion. We were invested 64.8% in large- and giant-cap companies, 20.7% in mid-cap companies, and 10.6% in small- and micro-cap companies, as defined by Morningstar, with the remainder in cash.

Recent Activity

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

We added to our biotechnology/diagnostics theme by building a position in **Novo Nordisk A/S**, a global pharmaceutical company. Novo Nordisk develops and commercializes leading GLP-1 drugs, representing approximately 75% of revenues, that are used in the treatment of diabetes and obesity, and it is one of the two leaders in the space. The latest generation of Novo Nordisk's GLP-1 drugs (brand names Ozempic/Wegovy) offers superior blood sugar control in diabetics, while also driving up to 15% weight loss and improving cardiovascular outcomes in both diabetics and non-diabetic obese patients alike. Beyond Ozempic/Wegovy, the company continues to develop next generation metabolic drugs, including CagriSema, which can support up to 25% weight loss with a potential launch in 2027. We estimate that in the U.S. alone, there are roughly 32 million Type 2 diabetics and an additional 105 million obese patients who would qualify for GLP-1 drugs. Today only 14% of Type 2 diabetics and a mere 1% of obese patients are currently on GLP-1 medication. Although manufacturing supply and access is limited in the near term, we believe GLP-1 drugs will become the standard of care for both diabetes and obesity and will become a $150 billion-plus market opportunity. We see Novo Nordisk as a leader in the space, setting a high efficacy bar with their GLP-1 drugs and capturing significant long-term market share. In our view, the adoption of GLP-1s will enable Novo Nordisk to double its revenues by 2030.

During the quarter, we initiated an investment in **CyberArk Software Ltd.**, a leading identity security platform with a primary focus on privileged access management (PAM). The company's PAM technology prevents bad actors from stealing and exploiting the credentials of superuser accounts such as IT administrators, cybersecurity managers, and network administrators. CyberArk has successfully leveraged its industry leading position (about 20% market share in PAM) to expand into large complementary verticals such as identity and access management (authentication of a company's employees and vendors), secrets management (detection of credentials used for machine-to-machine communications), and endpoint management. These newer solutions now account for over 45% of annual subscription recurring revenue, drive significant price increases, and are currently growing over 100% year-over-year. CyberArk is also making good progress in its business model transition from on-premise (one-time perpetual license payment plus some recurring maintenance payments) to a recurring subscription revenue model. The new model expands the company's addressable market, enables it to cross-sell products more efficiently, increases the lifetime value of its customers, and improves revenue predictability. Subscriptions account for more than 95% of bookings, and annualized recurring revenue has been growing over 35% for the past several quarters. As subscription contracts come up for renewal in the next two to three years, we expect cash flow margins to increase from mid-single digits today to CyberArk's healthy historical margin levels of over 20%. Long term, the combination of resilient end-market growth, better recurring revenue mix, and margin expansion should bode well for the stock.

We increased exposure to our fintech disruption theme by initiating a position in **Nu Holdings Ltd.**, a Latin American digital bank with operations in Brazil, Mexico, and Colombia. Nu was founded in 2014, and its core mission is to provide Brazilian consumers with better and more convenient access to financial products. The financial services industry in Brazil has historically operated as an oligopoly, where the top five banks control a large share of assets and deposits. This has led to high prices, poor customer service, and limited access to basic products such as credit for the mass market. Nu is disrupting this market via its digital distribution and intense focus on customer experience, which has enabled it to reach over 80 million registered users (almost half of the Brazilian adult population) with little investment in marketing. In our view, Nu has four key competitive advantages: a user-friendly, technology-driven platform; a track record of conservative credit underwriting; a low-cost funding base consisting mainly of retail deposits; and a solid and recognized brand name. Earlier this year, the company swung to profitability as operating leverage is beginning to play out. Nu has been scaling its credit business rapidly and has already gained a 10% share of Brazil's credit card market. The company's recent launch in Mexico and Colombia also expands its addressable market and adds to its long-term growth visibility. Additionally, we believe Nu's ROE will expand from 10% currently to 25% or 30% in the medium term. This will be driven by scale gains, as revenue growth begins to exceed expense growth, and balance sheet optimization, as its asset mix and operating leverage improve. Ultimately, we are confident the combination of strong growth and ROE improvement will drive stock outperformance for many years to come.

During the quarter, we also added to our digitization theme by initiating an investment in **PDD Holdings Inc.**, a leading Chinese e-commerce platform. Founded in 2015, the company has emerged as China's second largest e-commerce player, capturing approximately 20% market share. In our view, PDD's competitive moat lies in its *team purchase* model that facilitates bulk buying through direct partnerships with manufacturers, thereby eliminating intermediaries (e.g., distributors and middlemen) and lowering costs. Key factors driving the company's meteoric growth include rising consumer demand for affordable products in China amid an economic slowdown, small-scale merchants seeking alternatives to Alibaba, and superior management execution. PDD's revenue growth outpaces gross merchandize value growth owing to rising take rates as merchants aggressively compete for consumer traffic on the platform. In our view, PDD should continue to gain market share given its dominance in the value-for-money segment, growing affordable branded product offerings, and high operational efficiency. We believe the company's growth will be further supported by the recent launch of its international e-commerce platform, Temu, which has become one of the fastest growing apps globally. Leveraging China's excess manufacturing capacity, Temu has strong negotiating power with domestic suppliers and attracts global consumers with competitively priced products. Temu's recent initiatives to improve unit economics, coupled with achieving variable breakeven in the sizable U.S. market, showcase management's skill and commitment to sustained growth. We expect PDD to at least double its earnings and free cash flow in the next three years, with the potential for continued compounding thereafter.

Finally, we added to several of our existing positions during the quarter, most notably **ODDITY Tech Ltd.**, **Watches of Switzerland Group PLC**, **Japan Exchange Group, Inc.**, **Samsung Electronics Co., Ltd.**, **Jio Financial Services Limited**, **Baidu, Inc.**, **Eurofins Scientific SE**, and **Meyer Burger Technology AG**.

In our endeavor to concentrate our holdings where we have highest conviction in quality and return potential, during the quarter, we also exited a few positions, including **StoneCo Ltd.**, **Samsung SDI Co., Ltd.**, **Galaxy Entertainment Group Limited**, and **Cirata plc**.

Outlook

In our third quarter letter, we suggested that signs of deteriorating U.S. economic and earnings visibility and a peak in bond yields were a likely prerequisite to the inflection point in relative performance in favor of international and EM equities that we believe will ultimately occur. Early in the fourth quarter, an increasingly restrictive rise in real yields, and slowing employment and inflation momentum, triggered a re-evaluation of likely Fed policy, which the Fed soon confirmed by suggesting its hiking cycle was complete. The Fed also surprised markets by communicating that rate cuts would likely occur sooner and in greater magnitude than investors expected. While we previously believed that the Fed would be too backward-looking and too patient to meaningfully pivot, thereby raising the likelihood of recession, we were impressed with its more flexible and forward-looking reaction. In short, bond yields and financial conditions reacted swiftly, pricing in rate cuts and easing liquidity conditions. Thus, in early November the Fed meaningfully increased the likelihood of a soft landing, in effect declaring that it is shifting its attention from pure inflation fighting to a dual-mandate and a desire to balance growth and inflation. While markets cheered the pivot, evidenced by the largest quarterly gain in global equities in the past 3 years, we believe this event also likely foreshadows the end of the 14-year U.S. dollar bull market, and will usher in a cycle of relative outperformance by non-U.S. equities. While we suspect financial markets may have moved a bit too far, too fast, and some consolidation of gains and market volatility will follow, we believe the time has come for investors to rebalance portfolios in favor of international and EM equities.

As we have remarked in recent letters, we believe EM in general, and particularly those economies and companies geared toward the improvement in domestic growth, consumption, and investment that we expect to result from declining interest rates and appreciating currencies, will likely benefit the most from this inflection point in financial conditions and capital flows. In anticipating such an environment, we have increased the Fund's EM exposure during the year, and we enter 2024 with roughly 31% of the Fund's net assets in developing world investments, one of the higher weights in the Fund's history and well above our peers on average. Developed international markets also historically perform favorably, as peaking real interest rates presage a transition from a slowing global economy toward re-acceleration and such markets tend to be more economically and interest rate sensitive, while U.S. equities often lag on a relative basis as they traditionally outperform during the slowdown. We anticipate an extended period of enhanced relative earnings growth potential in most international jurisdictions–essentially a mean reversion or mirror image of the past several years. While we do not view this inflection point as negative per se for absolute earnings growth in the U.S., we do expect outperformance by non-U.S. equities, as current valuations reflect conservative relative earnings expectations, in our view. Historically, the interest rate and bond yield sensitive markets and regions such as Europe, Latin America (particularly Brazil), India, and Southeast Asia are disproportionate beneficiaries, and we believe our portfolio is well positioned to benefit, given our overweight positions in Europe, India, and Latin America/Brazil, and our structural and thematic bias towards domestic consumer, financial, and industrial leaders. In addition, our healthy exposure to mid- and small-cap investments should also shift from a performance headwind to a tailwind in an environment of declining real rates.

Consistent with our view that global markets have reached an important inflection point, we note that EM ex-China, evidenced by the iShares MSCI Emerging Markets ex China ETF, actually outperformed the mighty S&P 500 Index from the recent Fed-driven market low on October 27, 2023 through year end. This ETF also outperformed the *equal-weighted* S&P 500 Index (which helps neutralize the overwhelming impact of the *Magnificent Seven* on the market cap weighted S&P 500 Index) by over 500 basis points for the full-year 2023, which we believe lends credibility to our mean-reversion thesis for the ex-US asset class. Specific to the international markets, we note that performance and sentiment over the past couple of years has been tempered by ongoing skepticism regarding China, particularly given that it has historically had a relatively large weight in the Benchmark. While inconsistent policy signals and geopolitical developments have been frustrating for investors with China exposure and have triggered ongoing capitulation (and caused us to move to a modest underweight exposure in China), we believe that China's policymakers have the tools and capacity to engineer a recovery, and we remain cautiously optimistic that ongoing incremental efforts will render current valuation and skepticism as too conservative. We point to the recently enhanced urban development/social housing programs funded by a large increase in the Pledged Supplemental Lending facility as the most recent example, that likely represents a transition in policy from pure supply-side to a mix of supply- and demand-side support. We believe a mean-reverting recovery in China-related equities would contribute to international equity outperformance.

As mentioned above, we view Brazil and India as particularly well positioned for the environment we see developing; In Brazil, our investments in rate-sensitive consumer (**Localiza Rent a Car S.A.**) and fintech/financial holdings (**XP Inc.**, **Nu Holdings Ltd.**, **B3 S.A. – Brasil, Bolsa, Balcao**), have been performing well since the Fed pivot, and in our view presage improving earnings momentum we discussed above. While several of our India holdings, in particular our consumer, wealth management/consumer finance, and real estate-related holdings (**Trent Limited**, **Godrej Consumer Products Limited**, **Nippon Life India Asset Management Limited**, **JM Financial Limited**, and **Godrej Properties Limited**) have posted stellar recent returns, though they are still only scratching the surface of their long-term potential, in our opinion. We reiterate our view that India, our largest single country overweight exposure, has reached escape velocity after years of implementing a series of productivity-enhancing reforms, and also stands out as a material beneficiary in the evolving global geopolitical environment. While we expect some consolidation of 2023's strong performance, we remain particularly enthusiastic regarding the growth and investment opportunity in this exciting market. Finally, as we detailed in our recent third quarter letter, we remain quite optimistic regarding the improving investment landscape in Japan, and we continue to seek additional high-conviction, long-term investment opportunities in this market.

We continue to believe that international equities are likely emerging from a long cycle of relative underperformance, and we look forward to our next communication.

Thank you for investing in the Baron International Growth Fund.

Sincerely,

Michael Kass
Portfolio Manager

Baron International Growth Fund

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 baronfunds.com. Please read them carefully before investing.

Risks: Non-U.S. investments may involve additional risks to those inherent in U.S. investments, including exchange-rate fluctuations, political or economic instability, the imposition of exchange controls, expropriation, limited disclosure and illiquid markets. This may result in greater share price volatility. Securities of small and medium-sized companies may be thinly traded and more difficult to sell. Even though the Fund is diversified, it may establish significant positions where the Adviser has the greatest conviction. This could increase volatility of the Fund's returns.

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 International Growth Fund by anyone in any jurisdiction where it would be unlawful under the laws of that jurisdiction to make such offer or solicitation.

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).