

Baron Funds®

December 31, 2023

Quarterly Report

OWN IT!!!!

On November 10, 2023, more than 5,000 Baron Funds' shareholders and institutional clients of Baron Capital, our family-owned investment manager, attended the 30th Annual Baron Investment Conference (the Conference).

Since our first annual conference in 1992, the only years we did not hold such a gathering were during the two COVID years, 2020 and 2021. Again, as we have for the past 20 years, Baron Capital held the 2023 Conference at New York City's Lincoln Center. As attendance at our annual event has increased, Baron has steadily expanded our conference venue. From just one building in 2004, to all five buildings on the Lincoln Center campus last year. The Annual Baron Conference is now anchored at the largest of these buildings, the Metropolitan Opera House.

OWN IT!!!! was the theme of our 2023 meeting. The OWN IT!!!! theme was intended to describe Baron's strategy of investing for the long term in exceptionally well-managed, competitively advantaged growth businesses.

Baron Capital has investments in about 400 businesses. Regardless, only 30 investments represent about 59% of our Firm's assets under management. The values of these 30 businesses have increased significantly since Baron first purchased their shares. CEOs of four of these businesses spoke in the morning about their opportunities for further significant growth.

Andy Florance, founder and CEO of real estate data firm **CoStar Group, Inc.**, could not have been more optimistic about the prospects for CoStar's expansion into residential real estate. He outlined how CoStar is supporting his vision by spending about \$1 billion annually to make this happen. We began to invest in CoStar in **2001**. As of December 31, 2023, its shares have since increased 50.4 times with an annualized return of 19.3%. CoStar is Baron's fourth largest holding.

FactSet Research Systems Inc. CEO Phil Snow spoke about his business' growth potential for open-sourced data, including recently introduced private credit data...adding more services to those already being



Ron, in his element, "Owning It" on the MET stage at the 30th Annual Baron Investment Conference.

provided...and the derivation of FactSet's name..."sets of facts." Phil spoke not only about his totally fascinating background as well as the history and opportunities for FactSet. Baron began investing in FactSet in **2006**. FactSet has since increased 11.2 times with an annualized return of 15.1%. FactSet is our sixth largest holding.

Michael Kehoe is the Founder and CEO of **Kinsale Capital Group, Inc.** Kinsale is a

specialty insurer with a unique operating model based on data and exceptional response times to Kinsale's brokerage clients. Kinsale is not your parents' insurance company. Kinsale is Michael's second big corporate success, and we think Kinsale still has a long way to go. If you'd met Michael, you'd understand why we feel that way. We began to purchase Kinsale shares in **2016**. They have since increased 18.8 times and have earned an annualized return of 48.4%. Kinsale is our 13th largest holding.

Eric Green has been the CEO of **West Pharmaceutical Services, Inc.** since **2015**. West's vials and systems for packaging drugs undergo two years of stability testing for FDA approvals and are a critical part of the drug approval process. West's packaging represents a very small percentage of drug dosage costs. We began to purchase West in **2013**. The stock has since increased about 11.1 times with an exceptional annualized return of 25.6%. West is our 24th largest investment.

Ajei Gopal is the CEO of simulation business **ANSYS, Inc.** When he spoke at the 29th Conference in November of 2022, Ajei described how ANSYS computer simulation helps businesses design and manufacture cars...rocket ships...bathing suits for Olympic swimmers...and just about anything else you can think of better...faster...cheaper than if you tested a physical product. Since Ajei has been CEO of the business, he has penalized his firm's annual profits by investing to become a much larger company. ANSYS is our 10th largest holding. Since we began to purchase its shares in **2009**, it has increased 14.0 times with an annualized return of 19.3%.

During the past two months, three larger companies have offered to purchase ANSYS at a significant premium to the December 31, 2023 price. The winner in this bidding contest, another simulation business, Synopsys, agreed to purchase ANSYS at a price of nearly \$400 per share. Approximately half the purchase price will be cash, the remainder in Synopsys stock. We assume that because Ajei thinks this is a good deal, after we study Synopsys carefully over the next several months, there is a good chance you will see Synopsys in our portfolios when this transaction is completed.



Baron shareholders 'can't stop the feeling' of amazement after superstar Justin Timberlake's surprise entrance and show-stopping performance at the 30th Annual Baron Investment Conference.



Letter from Ron

Before our Conference begins every year, CNBC's Squawk Box visits and interviews me and guests during a two hour program segment. This year, two of our special guests were **Choice Hotels International, Inc.** Chairman Stewart Bainum and CEO Pat Pacious. Several years ago, Stewart described Pat to me as the most effective CEO in Choice's history. If you watched the raucous conversation between Stewart, Pat, Squawk Box anchor Andrew Ross Sorkin, and me, I'm certain you could glean why that is so. In 1969, I was attending law school on scholarship and at night while working as a Patent Examiner for the U.S. Patent Office in the daytime. I invested in Manor Care in 1969 at the time of its IPO. I then borrowed money at usurious rates to invest after I read about that company and the Bainum family in *The Washington Post*. I thought Manor Care would be a beneficiary of President Lyndon Johnson's Medicare Bill that passed Congress in 1965. I was right. Manor Care has been an enormously successful investment for us.

Manor Care was the parent of Choice Hotels, the largest hotel franchiser in our nation. Choice has also been an incredibly successful investment for Baron. Baron has been Choice Hotel's largest institutional investor since it was spun out of Manor Care in **1996**. Choice has since increased in value 32.2 times for an annualized return of 13.6%...and Stewart has become a very good friend. When he started to lavishly compliment me on Squawk Box, I handed him a wad of bills to thank him. When he initially refused to return the money, we both cracked up.

We were introduced to **FIGS, Inc.** co-founder and CEO Trina Spear about a year ago. We have been investing in her unique, health care uniform, direct to consumer, and importantly, replenishment business soon after that. FIGS has grown from zero revenue 10 years ago to more than \$500 million in annual revenue since...which Trina believes will ultimately reach many billions. Trina and her co-founder, Heather Hasson, were recently subjects of a Harvard Business School case study. If you can get your hands on that study or somehow watch it on film, it will not be hard for you to understand why we purchased 15% of their company...at what we regard as very depressed prices over the past several months. Andrew Ross Sorkin's and my interview with Trina at the Conference that morning was really fun. I will shortcut your FIGS research efforts and write a lot more about FIGS and Trina in the months to come. FIGS is not yet one of our top 30 investments. In the not too, too distant future we expect it to become one...due to appreciation...not because we purchase a lot more. One more thing. Just like I regard Stewart Bainum as a good friend, I think about Trina the same way, just as I do of dozens of CEOs and executives of businesses in which we invest. Sure makes my "job" fun...and



We knew he could dance, but who knew he could jump so high?! Pop superstar Justin Timberlake 'rockin' his body' with 'that sunshine in his pocket' at the 30th Annual Baron Investment Conference.

easier...when we invest in people I like...admire...think are unbelievably talented...and trust.

Baron Capital's investment process is straightforward...

We do not try to predict wars...interest rates...commodity prices...elections...stock market trends...or any other macro events that we believe cannot be predicted. We also do not try to predict whether such developments will impact stock prices. We don't trade stocks. We just invest for the long term in publicly traded businesses using our proprietary research and steadily growing staff of 45 investment professionals...many of whom are unusually long tenured...to identify and study and become unusually knowledgeable about such businesses.

Our underlying assumptions? That the price of everything we want to purchase will double about every 14 to 15 years...which means that the purchasing power of our savings will fall in half about every 14 to 15 years...and that our stock markets and economy will double about every 10 to 11 years. This has been the case during my entire lifetime. We try to double our money every 5 to 6 years by *owning* businesses that sustainably grow double digits per year, not the nominal high single-digit growth rate of our economy...6% to 7% per year including inflation. This is how we protect the purchasing power of your hard-earned savings from inflation.

I often remark that, "We Invest in People." In the executives who manage businesses in which we invest on behalf of ourselves and clients...and in the 209 individuals who we recruit, train, and retain. The reason we have long-tenured analysts and executives? We hire *the best*...those we judge to be the most talented...and best educated...and provide them with an incredible environment in which to work. That includes access to among the most interesting and talented executives of public companies...while

working alongside other exceptional Baron individuals...and offer all opportunity for career advancement. We have never had a layoff in the 42-year history of our business. Whether our business is having a very strong...or average...or, on occasion, difficult year. We rely on our analysts and managers and all the rest of our fellow employees who provide our researchers and investors a platform to show their stuff. Since we rely on our fellow employees, we, in turn, want them to rely on us.

Unlike Warren Buffett who tries to invest in competitively advantaged businesses that can be "run by any idiot... since sooner or later they will be," we pride ourselves doing what algorithms cannot. We invest in mission-driven, extraordinarily talented individuals whom we believe to be awesome leaders. Like Elon Musk, for example. Such individuals most often surround themselves with like people.

Engineering positions at **Tesla, Inc.** and **Space Exploration Technologies Corp.** (SpaceX) are the two most sought-after career positions for top-of-class engineering students, despite the challenging workloads at both companies. That's to work with Musk...and the unusually talented and driven people he attracts...and to be involved in super interesting projects at both companies. Last year, at a time when many businesses struggled to attract qualified workers, Musk's businesses had 3.5 million job applicants for 30,000 open positions!!! These two fast growing, unique businesses employ 142,000 individuals.

Executives of Utah's Eccles family foundation recently visited us. This foundation, one of the largest in our nation, was created from a family business that eventually included more than 50 banks and dozens of large industrial companies. It was founded about 150 years ago by David Eccles, a hard-working and obviously immensely talented immigrant. David was 14 years old when he, an impoverished individual, arrived in America from Paisley, Scotland in 1863...in the midst of our Civil War! David was able to come to America because of charitable gifts from his homeland that he repaid many times over. "Surrounded by giants you become a giant" was how this entrepreneurial business founder described his hiring process. In fact, David was so kind and generous to the exceptional individuals with whom he worked that when he passed away, they mentored his children and grandchildren. So learned, disciplined, and talented were his family members, that, in 1933, in the midst of the Great Depression, his son, Marriner, was called to testify before Congress. Marriner's ideas were the basis for FDR's New Deal!!! Marriner Eccles became the

seventh Head of The United States' Federal Reserve. What an amazing country in which we are privileged to live...

The Annual Baron Investment Conferences are intended to inform...and for us to thank you for investing with us...

We held the first Annual Baron Investment Conference in 1992 at the Harmonie Club in New York City. Our idea was to allow Baron investors to meet the managements of businesses in which we had invested their savings. The first two meetings featured "The Chucks," Chuck Mathewson and Chuck Schwab. Maybe 40 to 50 shareholders showed up for each. At the time, those 40 to 50 investors probably represented a significant portion of the \$100 million ("m" for million) assets we then managed.

You would have benefited from investing with "The Chucks"...and not selling. Chuck Mathewson's International Game Technologies' (IGT) idea was to link IGT slot machines in all Las Vegas casinos to produce slot wins comparable to lottery jackpots. His IGT increased in value 100 times from \$100 million when he acquired control to \$10 billion. Chuck Schwab's brokerage business revolutionized mutual fund distribution. Arguably, without his innovation, Baron wouldn't exist. In 1992, Charles Schwab had customer accounts valued at about \$60 billion. Schwab's customer assets now exceed \$8.5 trillion! Schwab's share price has since also increased more than 100 times.

Lunchtime entertainment in 1992 was Beatlemania, a Beatles tribute band, complete with 1960s wigs and mustaches. Our lunch service consisted of a buffet table with shrimp and chocolate chip cookies. In the center of the table, crouching beneath, her head protruding disguised as a table ornament wearing sunglasses and a huge hat covered with fruit, was entertainer Hedda Lettuce. When a guest was too greedy about the cookies, the head slowly turned and spoke in a weird voice, "Put those down." Luckily there were no heart attacks.

Since then, our entertainment offerings have improved. Sir Paul McCartney...Barbra Streisand... Billy Joel...Sir Elton John...Jerry Seinfeld...Bette Midler...Hugh Jackman...Rod Stewart...Alicia Keys...Cher...Faith Hill and Tim McGraw...Bruno Mars...Billy Crystal...and, as Andrew Ross Sorkin likes to say on CNBC..."so much more..." You could get the full list on Wikipedia. CNBC Squawk Box now spends more than two hours with us on Conference day.

This year lunch entertainment was the legendary John Legend...comedian Adam Sandler...and performances from the Broadway Show *Beautiful Noise* about the life and music of Neil Diamond. Neil Diamond was our real-life entertainer in 2000! The final entertainment to end Conference Day this year was the amazing...unbelievable...astounding...Justin Timberlake singing and dancing and hanging out with the audience for an hour...and my two grandsons 11-year old Leo and 9-year old Ari after the show talking about what professional basketball team Leo, Ari, and 8-year old Sirius Timberlake would play for after college! All are less than 5' tall!!! Except Justin, of course.

I had worried that Justin was too young for our audience. Boy, was I wrong! This guy is one of the very best entertainers I have ever seen...and a super nice guy to boot. From his entrance to the stage down the Opera House aisles amid our shareholders and dancing and singing with my Rabbi, Central Synagogue's Angela Buchdahl, in our audience...just perfect. The day closed with surprise performer, 23-year old Noa Kirel, Israeli pop star, singing *Hatikva* the Israeli national anthem. *Hatikva* means *Hope*, which all in the audience clearly felt after the October 7th medieval and depraved slaughter...torture...rape..... and hostage taking by Hamas...at the Israeli peace concert and kibutz bordering Gaza. Noa's performance was met with total silence...except for audible sobs.

As our attendees quietly filed out of the Opera House to get their Baron swag...and complimentary Scream Ice Cream cones from four Scream Ice Cream trucks (two last year weren't enough...four weren't enough this year either...six next year?)...to view Tesla cars and the Tesla CyberTruck for the first time in NYC...thousands stood in line to thank me for the day...and especially for Noa's performance. Jews and non-Jews alike. Made me cry.

Hope we will see you next year. Thank you again for investing with us.

Respectfully,



Ronald Baron
CEO

February 1, 2024

Almost forgot. This year, as we have for the past five years, we gave away three Tesla Model Ys as door prizes. I got the idea from Oprah's book gifts. Tesla wants to make sure you know that Baron Capital, our privately owned management company, bought these cars....and paid full retail price...no discounts.

All expenses for this meeting, as has been so for all our prior meetings, were also paid by Baron Capital. No expenses for these meetings are paid by our guests/shareholders. The intent of these meetings, as noted, is to inform...and to say thanks to you.

Baron's Mission

1. My dad was an engineer for the Army. My parents were never able to invest in stocks. Baron Capital's Mission is to enable middle class individuals like my parents to invest in growing businesses and participate in the growth of America's economy...and to protect their savings purchasing power from inflation. Just like the opportunities the wealthy among us have always had.

2. We guard our reputation fiercely and regard our reputation as the cornerstone of our business. It is one of the most important elements of our business that allows us to attract exceptional individuals to work at Baron. "Would your younger self like you? Would he or she be proud of the life you have lived?" That's a question I have asked myself since one of our Rabbi's posed it to our congregation several years ago. My belief and my hope is that individuals with whom I work feel the same way about their careers at Baron as I do.

3. We understand that our success is not just about hard work...experience...investing in talented people...and finding unusual, distinctive, advantaged businesses in which to invest. We believe that our success, as well as virtually everyone else's, entails a certain amount of good luck. We give an appreciative "shout out" to two very special financial executives in our business, Peggy Wong, our CFO since she joined us in 1987, and Jane Liang, our Corporate Treasurer, since she joined us in 2007. In accord with Chinese culture, about which Peggy and Jane try to educate me, we recognize that the number 8 connotes wealth and good luck. Accordingly, we opened a koi pond on the 48th floor of our offices in the General Motors Building on August 8, 2008, 08-08-08!!! Koi fish are also supposed to bring good luck. We were taking no chances!

Letter from Ron

How have we performed?

One more thing. It is unusual that mutual fund investors or any investors for that matter have been able to perform over the long term better than benchmark indexes. Since their respective inceptions as mutual funds, 16 funds, representing 98.6% of Baron Funds' AUM, have outperformed their benchmarks and 14 funds, representing 96.6% of Baron Funds' AUM, rank

in the top 20% of their respective Morningstar categories. Five funds, representing 46.5% of Baron Funds' AUM, rank in the top 1% of their categories. Further, Baron Partners Fund is the top performing U.S. Equity fund (out of 2,101 share classes) since its conversion in 2003 from a partnership to a mutual fund.¹ The Fund also had a better performance record than the top performing U.S. Equity fund since its inception

as a partnership in 1992. If you had hypothetically invested \$10,000 in a fund designed to track Baron Partner Fund's benchmark index in 1992, that investment would now be worth \$204,000. If it had been hypothetically invested in Baron Partners Fund it would now be worth over \$900,000.

¹ This is a hypothetical ranking created by Baron Capital using Morningstar data and is as of 12/31/2023. There were 2,101 share classes in the nine Morningstar Categories mentioned below for the period from 4/30/2003 to 12/31/2023. Based on Morningstar Category Groups, which include open-end funds and ETFs and exclude privately offered funds. Baron Partners Fund is the number one performing U.S. equity fund (out of 2,101 share classes) in the United States since its conversion to a mutual fund in 2003 and it is not ranked since its inception as a partnership. Note, the peer group used for this analysis includes all U.S. equity share classes in Morningstar Direct domiciled in the U.S., including obsolete funds, index funds, and ETFs. The individual Morningstar Categories used for this analysis are the Morningstar Large Blend, Large Growth, Large Value, Mid-Cap Blend, Mid-Cap Growth, Mid-Cap Value, Small Blend, Small Growth, and Small Value Categories.

The Morningstar Large Growth Category consisted of 1200, 1031, and 810, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Partners Fund in the 27th, 1st, 1st, and 1st 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 756 share classes.

Baron Funds (Institutional Shares) and Benchmark Performance 12/31/2023

| Fund | Primary Benchmark | Annualized Return Since Fund Inception | Annualized Benchmark Return Since Fund Inception | Inception Date | Average Annualized Returns | | | | Annual Expense Ratio | Net Assets |
|--|---|--|--|----------------|----------------------------|----------|--------|---------|--------------------------------|------------------|
| | | | | | 1-Year | 3-Year | 5-Year | 10-Year | | |
| SMALL CAP | | | | | | | | | | |
| Baron Growth Fund | Russell 2000 Growth Index | 12.88% | 7.67% | 12/31/1994 | 14.97% | 2.34% | 14.92% | 10.24% | 1.05% ⁽³⁾⁽⁴⁾ | \$7.87 billion |
| Baron Small Cap Fund† | Russell 2000 Growth Index | 10.18% | 6.12% | 9/30/1997 | 27.19% | 0.52% | 14.02% | 9.31% | 1.05% ⁽³⁾ | \$4.62 billion |
| Baron Discovery Fund† | Russell 2000 Growth Index | 12.42% | 7.80% | 9/30/2013 | 22.58% | (5.86)% | 11.94% | 11.02% | 1.06% ⁽³⁾ | \$1.43 billion |
| SMALL/MID CAP | | | | | | | | | | |
| Baron Focused Growth Fund ⁽¹⁾ | Russell 2500 Growth Index | 13.35% | 8.04% | 5/31/1996 | 27.78% | 3.05% | 26.01% | 15.54% | 1.06% ⁽⁵⁾ | \$1.34 billion |
| MID CAP | | | | | | | | | | |
| Baron Asset Fund† | Russell Midcap Growth Index | 11.37% | 10.20% ⁽²⁾ | 6/12/1987 | 17.35% | (0.21)% | 12.82% | 10.49% | 1.05% ⁽³⁾ | \$4.82 billion |
| LARGE CAP | | | | | | | | | | |
| Baron Fifth Avenue Growth Fund† | Russell 1000 Growth Index | 9.19% | 11.51% | 4/30/2004 | 57.58% | (4.62)% | 11.93% | 11.04% | 0.78%/0.76% ⁽³⁾⁽⁷⁾ | \$539.19 million |
| Baron Durable Advantage Fund | S&P 500 Index | 14.70% | 12.07% | 12/29/2017 | 45.51% | 13.08% | 19.68% | N/A | 1.00%/0.70% ⁽³⁾⁽⁸⁾ | \$183.26 million |
| ALL CAP | | | | | | | | | | |
| Baron Partners Fund ⁽¹⁾ | Russell Midcap Growth Index | 15.17% | 9.91% | 1/31/1992 | 43.47% | 2.86% | 31.57% | 19.11% | 1.44% ⁽⁵⁾⁽⁶⁾ | \$6.94 billion |
| Baron Opportunity Fund† | Russell 3000 Growth Index | 9.14% | 6.75% | 2/29/2000 | 49.98% | (1.26)% | 20.71% | 14.08% | 1.06% ⁽³⁾ | \$1.13 billion |
| NON-U.S./GLOBAL | | | | | | | | | | |
| Baron Emerging Markets Fund | MSCI EM Index | 3.18% | 1.55% | 12/31/2010 | 8.29% | (8.96)% | 2.99% | 2.48% | 1.12% ⁽⁵⁾ | \$4.54 billion |
| Baron GlobalAdvantage Fund† | MSCI ACWI Index | 10.55% | 9.11% | 4/30/2012 | 25.56% | (15.03)% | 9.88% | 9.04% | 0.94%/0.91% ⁽⁵⁾⁽⁹⁾ | \$685.79 million |
| Baron International Growth Fund | MSCI ACWI ex USA Index | 8.94% | 6.74% | 12/31/2008 | 7.60% | (4.91)% | 7.79% | 5.18% | 0.99%/0.95% ⁽⁵⁾⁽¹⁰⁾ | \$511.96 million |
| Baron New Asia Fund | MSCI AC Asia ex Japan Index | -9.48% | -7.69% | 7/30/2021 | 5.79% | N/A | N/A | N/A | 7.22%/1.20% ⁽⁵⁾⁽¹¹⁾ | \$4.34 million |
| SECTOR | | | | | | | | | | |
| Baron Real Estate Fund | MSCI USA IMI Extended Real Estate Index | 13.76% | 11.07% | 12/31/2009 | 25.04% | 3.62% | 18.32% | 10.06% | 1.07% ⁽⁵⁾ | \$1.74 billion |
| Baron Real Estate Income Fund | MSCI US REIT Index | 8.29% | 4.05% | 12/29/2017 | 15.51% | 2.78% | 12.64% | N/A | 0.96%/0.80% ⁽⁵⁾⁽¹²⁾ | \$148.08 million |
| Baron Health Care Fund† | Russell 3000 Health Care Index | 12.54% | 10.38% | 4/30/2018 | 6.42% | 0.78% | 15.43% | N/A | 0.90%/0.85% ⁽⁵⁾⁽¹³⁾ | \$210.43 million |
| Baron FinTech Fund† | FactSet Global FinTech Index | 9.58% | 1.51% | 12/31/2019 | 27.31% | (0.69)% | N/A | N/A | 1.20%/0.95% ⁽⁵⁾⁽¹⁴⁾ | \$59.60 million |
| Baron Technology Fund | MSCI ACWI Information Technology Index | (4.61)% | 2.03% | 12/31/2021 | 63.38% | N/A | N/A | N/A | 6.42%/0.95% ⁽⁵⁾⁽¹⁵⁾ | \$9.03 million |
| EQUITY ALLOCATION | | | | | | | | | | |
| Baron WealthBuilder Fund | S&P 500 Index | 12.78% | 12.07% | 12/29/2017 | 25.73% | (0.37)% | 17.06% | N/A | 1.14%/1.11% ⁽⁵⁾⁽¹⁶⁾ | \$547.52 million |

(1) Reflects 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.

(2) For the period June 30, 1987 to December 31, 2023.

(3) As of 9/30/2023.

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

(5) As of 12/31/2022.

(6) Comprised of operating expenses of 1.04% and interest expenses of 0.40%.

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

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

(9) Gross annual expense ratio was 0.94%, but the net annual expense ratio was 0.91% (net of Adviser's fee waivers, including interest expense of 0.01%).

(10) Gross annual expense ratio was 0.99%, but the net annual expense ratio was 0.95% (net of Adviser's fee waivers).

(11) Gross annual expense ratio was 7.22%, but the net annual expense ratio was 1.20% (net of Adviser's fee waivers and expense reimbursements).

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

(13) Gross annual expense ratio was 0.90%, but the net annual expense ratio was 0.85% (net of Adviser's fee waivers).

(14) Gross annual expense ratio was 1.20%, but the net annual expense ratio was 0.95% (net of Adviser's fee waivers).

(15) Gross annual expense ratio was 6.42%, but the net annual expense ratio was 0.95% (net of Adviser's fee waivers and expense reimbursements).

(16) Gross annual expense ratio was 1.14%, but the net annual expense ratio was 1.11% (includes acquired fund fees and expenses, net of the expense reimbursements).

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

Letter from Ron

The performance data quoted represents past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original cost. The Adviser reimburses or may reimburse certain Funds expenses pursuant to a contract expiring on August 29, 2034, 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 baronfunds.com or call 1-800-99-BARON.

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.

Baron Asset Fund's 3-year, **Baron Discovery Fund's** 3-, 5- and 10-year, **Baron Fifth Avenue Growth Fund's** 3- and 5-year, **Baron Fin Tech Fund's** 3-year, **Baron Global Advantage Fund's** 5- and 10-year, **Baron Health Care Fund's** 3-year, **Baron Opportunity Fund's** 3-, 5- and 10-year and **Baron Small Cap Fund's** 3-year historical performance were impacted by gains from IPOs and 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.

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

Ranking information provided is calculated for the **Institutional Share Class** and is as of **12/31/2023**. The number of share classes in each category may vary depending on the date that Baron downloaded information from Morningstar Direct. **Morningstar calculates its category average performance and rankings using its Fractional Weighting methodology. Morningstar rankings are based on total returns and do not include sales charges. Total returns account for management, administrative, and 12b-1 fees and other costs automatically deducted from fund assets.** The **Morningstar Large Growth Category** consisted of 1200, 1031, and 810, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Opportunity Fund in the 11th, 4th, 13th, and 4th percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 2/29/2000, and the category consisted of 597 share classes.. Morningstar ranked Baron Durable Advantage Fund in the 21st, 8th, and 18th percentiles for the 1-, 5-, and since inception periods, respectively. The Fund launched 12/29/2017, and the category consisted of 1089 share classes. The **Morningstar Mid Cap Growth Category** consisted of 553, 492, and 395, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Asset Fund in the 74th, 49th, 22nd, and 11th percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 6/12/1987, and the category consisted of 70 share classes. Morningstar ranked Baron Growth Fund in the 83rd, 15th, 29th, and 1st percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 12/31/1994, and the category consisted of 160 share classes. Morningstar ranked Baron Focused Growth Fund in the 10th, 1th, 1th, and 3rd 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 438 share classes. The **Morningstar Small Cap Growth Category** consisted of 597, 528, and 405, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Small Cap Fund in the 5th, 13th, 21st, and 7th percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 9/30/1997, and the category consisted of 243 share classes. Morningstar ranked Baron Discovery Fund in the 10th, 36th, 6th, and 4th percentiles for the 1-, 5-, 10-, and since inception periods, respectively. The Fund launched 9/30/2013, and the category consisted of 523 share classes. The **Morningstar Real Estate Category** consisted of 251, 215, and 156, share classes for the 1-, 5-, and 10-year periods. Morningstar ranked Baron Real Estate Fund in the 1st, 1st, 1st, and 1st percentiles for the 1-, 5-, 10-year, and since inception periods, respectively. The Fund launched 12/30/2009, and the category consisted of 182 share classes. Morningstar ranked Baron Real Estate Income Fund in the 9th, 3rd, and 2nd percentiles for the 1-, 5-, and since inception periods, respectively. The Fund launched 12/29/2017, and the category consisted of 225 share classes. The **Morningstar Foreign Large Growth Category** consisted of 417, 336, 229, and 251 share classes for the 1-, 5-, 10-year, and since inception (12/31/2008) periods. Morningstar ranked Baron International Growth Fund in the 96th, 63rd, 38th, and 19th, respectively. The **Morningstar Diversified Emerging Markets Category** consisted of 816, 656, 402, and 373 share classes for the 1-, 5-, 10-year, and since inception (12/31/2010) periods. Morningstar ranked Baron Emerging Markets Fund in the 76th, 78th, 51st, and 14th, respectively. The **Morningstar Diversified Health Category** consisted of 176, 135, and 138 share classes for the 1-, 5-, and since inception (12/31/2018) periods. Morningstar ranked Baron Health Care Fund in the 25th, 1st, and 1st, respectively. The **Morningstar Aggressive Allocation Category** consisted of 186, 165, and 177 share classes for the 1-, 5-, and since inception (12/29/2017) periods. Morningstar ranked Baron WealthBuilder Fund in the 5th, 1st, and 1st, respectively.

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Portfolio holdings as a percentage of net assets as of December 31, 2023 for securities mentioned are as follows: **Tesla, Inc.** – Baron Fifth Avenue Growth Fund (4.3%), Baron Focused Growth Fund (11.4%), Baron Global Advantage Fund (4.4%), Baron Opportunity Fund (5.7%), Baron Partners Fund (38.1%*), Baron Technology Fund (4.9%); **Space Exploration Technologies Corporation** – Baron Asset Fund (2.2%), Baron Fifth Avenue Growth Fund (0.9%), Baron Focused Growth Fund (9.5%), Baron Global Advantage Fund (4.7%), Baron Opportunity Fund (2.8%), Baron Partners Fund (9.9%*); **CoStar Group, Inc.** – Baron Asset Fund (4.4%), Baron FinTech Fund (1.5%), Baron Focused Growth Fund (4.2%), Baron Growth Fund (5.7%), Baron Opportunity Fund (2.9%), Baron Partners Fund (8.1%*), Baron Real Estate Fund (4.4%), Baron Technology Fund (1.6%); **FactSet Research Systems Inc.** – Baron Asset Fund (3.7%), Baron FinTech Fund (3.0%), Baron Focused Growth Fund (4.5%), Baron Growth Fund (7.2%), Baron Partners Fund (4.4%*); **Kinsale Capital Group, Inc.** – Baron Discovery Fund (2.3%), Baron FinTech Fund (1.1%), Baron Growth Fund (4.2%), Baron Small Cap Fund (3.4%); **Choice Hotels International, Inc.** – Baron Asset Fund (1.3%), Baron Focused Growth Fund (3.0%), Baron Growth Fund (4.3%); **West Pharmaceutical Services, Inc.** – Baron Asset Fund (2.4%), Baron Growth Fund (2.0%), Baron Health Care Fund (1.9%); **FIGS, Inc.** – Baron Focused Growth Fund (3.0%), Baron Growth Fund (0.7%), Baron Partners Fund (0.4%*).

* % of Long Positions

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

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



2023 Baron Investment Conference: (First row, from left to right) A Tesla Cybertruck was showcased at the Baron Investment Conference in New York. Ron couldn't keep his hands off it. Israeli pop sensation Noa Kirel during her performance of Hatikvah. Ron Baron and Linda Martinson, Co-founder, President, and Chief Operating Officer. (Second row, from left to right) Justin Timberlake meets Ron Baron, David Baron, and Ron's grandkids backstage. Linda Martinson, Co-founder, President, and Chief Operating Officer, answers questions from the audience during the conference. David Baron, Portfolio Manager, Baron Focused Growth Fund, Michael Baron, Portfolio Manager, Baron Partners Fund and Baron Wealth Builder Fund, and Jim Barrett, VP, Head of Institutional Sales. (Third row, from left to right) Cliff Greenberg, Co-CIO and Portfolio Manager, Baron Small Cap Fund, Amy Chasen, VP, Director of Research, and Andrew Peck, Co-CIO and Portfolio Manager, Baron Asset Fund. David Baron, the Portfolio Manager of the Baron Focused Growth Fund, commences the afternoon sessions at the 2023 Baron Investment Conference. Michael Baron, Portfolio Manager, Baron Partners Fund, and Baron WealthBuilder Fund, announces the winners of the Tesla Model Y prizes. (Fourth row, from left to right) Kelli O'Hara singing during her performance of God Bless America. Comedian, actor, and filmmaker Adam Sandler brings laughs to attendees during the 2023 Baron Investment Conference. Grammy Award winner John Legend serenades the crowd at the Baron Investment Conference. Will Swenson dazzled attendees as Neal Diamond of the hit Broadway musical A Beautiful Noise in Alice Tully Hall.



2023 Baron Investment Conference: (First row, from left to right) Philip Snow, Chief Executive Officer, FactSet Research Systems, Inc. Andy Florance, Founder and Chief Executive Officer, Costar Group, Inc. with Ron Baron before their interview on CNBC. (Second row, from left to right) CNBC's Andrew Ross Sorkin interviews Trina Spear, the Co-Founder and CEO of FIGS, and Ron Baron. Patrick Pacious, CEO of Choice Hotels International, Inc., Stewart Bainum, Chairman of Choice Hotels International, Inc., and Ron Baron share a laugh during their interview with CNBC's Andrew Ross Sorkin. (Third row, from left to right) Andrew Peck, Co-CIO and Portfolio Manager, Baron Asset Fund, Neal Rosenberg, Portfolio Manager, Baron Growth Fund. A view of the Metropolitan Opera House during the early hours of the Baron Investment Conference. Back by popular demand, Scream Ice Cream trucks served free ice cream to attendees at the end of the conference. Should we have six trucks next year? (Fourth row, from left to right) Over 5,000 shareholders attended this year's conference, marking a record turnout. The Metropolitan Opera House during the CEO sessions at last year's conference.

30th Annual Baron Investment Conference
November 10, 2023



Before I begin.

Today's presentation will require your full attention.

So, unless you are a first responder, please turn off your phone... don't just set it to vibrate... power it down. If it is not fully powered down... trust me... we will know.

Violators will be ineligible for complimentary ice cream cones following today's surprise musical performance. We take our ice cream code of conduct seriously...

The theme of the 2023 Baron Conference is "Own It!"

Because we are glued to devices 24/7, markets respond materially to alerts and "news cycles"... as traders seeking instant gratification miss long-term opportunities. It's impossible to grasp the ramifications of profound change.



For example...

In 1876, visionary inventor Alexander Graham Bell believed that one day every major city in America will have "a telephone!"

One per city!



If that were the case, this is what it would look like on Thursday afternoons in New York City when people lined up to call Cleveland...

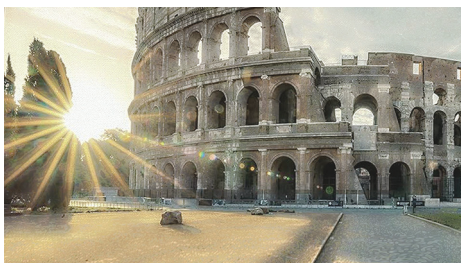
Baron Capital is a unique one of one investment firm that identifies transformational change and opportunity, studies businesses, and continuously interviews executives to evaluate character, abilities, and vision... which allows us to own investments.

Today, I want to discuss four topics.

1. What we mean by "Own It!"
2. Baron research... how we "hone it."
3. What it takes to be a Baron "cornerstone" investment.
4. Baron Capital's mission.

Baron's "Own It!" process and exceptional people have produced extraordinary returns.

OWN IT!

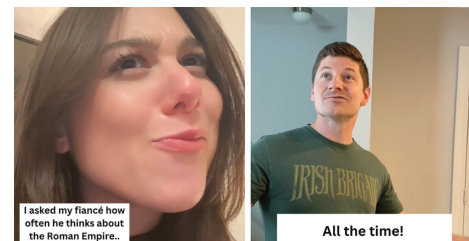


Just like Rome wasn't built in a day...

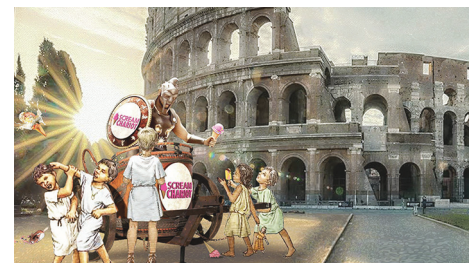


...neither was Baron Capital.

CLIP: *The View* – "How often do you think about the Roman Empire?"



Speaking of the Roman Empire...



As for me, I think about the Roman Empire all the time. Especially what a cool idea it would be to have a Scream ice cream truck in front of the Colosseum.

Baron Capital invests in awesome growth businesses that are increasing in value rapidly... and focuses on "not selling."

Our "Own It!" process has been built... not in a day... but over my entire career.



Sam Walton regarded "not selling" as his secret sauce. He believed you shouldn't sell shares of a great business like Walmart for 100 years!

Ron's Conference Speech: Own It!



Bernard Arnault, the LVMH Moët Hennessy Louis Vuitton SE luxury brand founder and CEO, agrees.

Arnault's five children each own one fifth of their family's stake in LVMH. The unanimous approval of the LVMH board is necessary for any of them to sell shares for the next 30 years...



Elon Musk also believes you should invest in great businesses "as if time is infinite"... and I thought I was "long term!"

Like Walton, Arnault, Elon, and dozens of other entrepreneurs in whom we have invested, we think in terms of decades... and that compounding investments in exceptional people and businesses... owning... not buying and selling... is how wealth is created.

An important ingredient of Baron's Own It! "secret sauce"... is our AI.

Baron analysts' Actual Intelligence... not Artificial Intelligence.



That's what enables us to "not sell" awesome businesses.

Algorithms cannot imagine the future... and cannot evaluate character, talent, and vision... which is why we only hire humans...



Although we are still not sure about Alex Umansky.

You can't have conviction to "not sell" by relying on others.

Certainty only comes from your own research... "not selling" great investments may sound easy. All you have to do is... nothing. But... it is the hardest thing...



Our analysts imagine what a business may become by understanding why it is distinctive.

CLIP: SpaceX rocket launching Starlink satellites



It was difficult to envision SpaceX's Starlink... satellite broadband internet.

Musk conceived of missions to Mars enabled by reusable rockets... which will make it possible for Starlink to earn hundreds of billions of dollars per year in the 2030s!!!

Elon recently emailed me, "SpaceX is building Internet Version 2 in space. You understand. Few do."



Elon also cracked the code of building profitable electric vehicles...

CLIP: Self-driving Tesla



...and is working hard to make them self-driving, which could add hundreds of billions of dollars to Tesla, Inc.'s annual profits!!!



The lesson?

When you identify a once-in-500-years talent... like Leonardo da Vinci or Elon Musk... when you "see what others don't see"... lean in.

Not taking risk is the greatest risk.

Just as the businesses in which we invest are distinctive, so are we.

Four Seasons' Izzy Sharp believes to be successful you must be a contrarian and have unbelievable will to endure criticism.

To be the number one mutual fund company in the United States, you need to be different, accept criticism, and, if you're wrong, Own It.

HONE IT!



Most associate craft with artists or makers.



The craft we hone is research.

We want to know more about executives and their businesses than anyone else. That's part of our Own It! "secret sauce."



Not to be confused with Linda's secret sauce... which is really freaking spicy...



Our theme in 2015 was "Question Everything."

We really do question everything. Strategies, opportunities, and risks... like everyone else. But we also ask about leaders' backgrounds, personal interests, and families... topics most deem unimportant but to us reveal character.

Standards of performance come from the top. That's why we want to really know CEOs.

Time and again when company executives visit and are told they will be late for their next meeting they respond, "I don't want to leave. This is too much fun. Please tell my next meeting I'll be late."

What are we looking for?

1. Belief before ability.

Sam Altman, Open AI's founder, thinks "self-belief is immensely powerful" and that most wildly successful people believe in themselves almost to the point of delusion.

CLIP: SNL – Elon Musk



Elon's beliefs, and optimism, are unshakeable...

2. Obsession.

Baron Capital research identifies executives obsessed with their businesses and missions... and growth...



Arch Capital Group Ltd.'s Marc Grandisson is obsessed with profitable underwriting, not just premium growth.



Choice Hotels International, Inc.'s Pat Pacious is obsessed with providing opportunities to his many immigrant hotel franchisees.



CoStar Group, Inc.'s Andy Florance is obsessed with real estate data, analytics, and marketplaces.



Elon is obsessed with mission, electric cars, space, engineering, and first principles.



FIGS, Inc.'s Trina Spear is obsessed with serving her community of underappreciated health care workers.



FactSet Research Systems Inc.'s Phil Snow is obsessed with being the most convenient open source of data to enable his clients to learn as much as possible about their investments.



Kinsale Capital Group, Inc.'s Michael Kehoe is obsessed with quoting all insurance submissions within 24 hours of receipt, with strict terms and conditions based on data and analytics.

Baron Capital is obsessed with talented people, distinctive growth businesses, and owning it.

I doubt you will find anyone more optimistic and more excited to wake up every morning to see what will happen that day than I am.

Ron's Conference Speech: Own It!



This picture illustrates my optimism.

That's me challenging Claudia Pagazani, head of our risk department, to a jumping contest this year.

I lost!

3. Quality.



Bernard Arnault says LVMH's "main goal is not profits. It is desirability." Arnault focuses on craftsmanship and style. He believes profits will follow.

We believe businesses that sacrifice margins to improve quality create sustainable advantage.

4. "Exceptional Takes Time" was our theme in 2016.



That's true for individuals and for companies.

Masterpieces are not created on the first try.



The Louvre says it took da Vinci 16 years to create the Mona Lisa!

Do you think he was working from home?

A building's cornerstone embodies the unique architectural values of its designer, not unlike an artist's signature on a painting or sculpture.



When Picasso, Warhol, de Kooning, Calder, Matisse, or Rodin signed a picture or sculpture, it reflected their unique visions and exacting standards.

We believe that "if you're doing the same thing as everyone else you will not be hard to compete against."

Baron has a maniacal focus on differentiation. Differentiated businesses that meet our exacting standards are cornerstones of Baron portfolios.

CLIP: Tesla and SpaceX



Tesla and SpaceX are two unique Baron Capital "cornerstone" investments and represent about 14% of our Firm's AUM. The other 86% is also invested in exceptional differentiated growth businesses.

We expect Tesla and SpaceX, low-cost providers of technologies revolutionizing enormous space and transportation industries, to continue to be among the fastest-growing businesses we own.



Gasoline OEMs had been innovators 100 years ago.



In the 1950s, they focused, instead, on profitability and outsourced supply chains... which is now to their detriment...

Studebaker... Nash... Edsel... DeSoto... Packard... Kaiser... Fisker... Pontiac... Plymouth... Stutz... are a small percentage of now defunct car companies.



Tesla is vertically integrated. Its engineers design everything... factories, compute, software, and parts.

Tesla's proprietary data from 100 million miles driven daily and exponentially growing compute to "train" AI have created an autonomous driving advantage that we believe is insurmountable.

So far, only Tesla and China's BYD have been able to profitably manufacture electric cars at scale. We think most electric cars will ultimately be assembled by others and use "Tesla inside" technology, including Full Self-Driving.

By the way... don't miss... for the first time in New York... Tesla's Cybertruck... on the plaza... super cool.

AUDIO: Voice over. "Would the owner of a space gray alien hovercraft parked on the plaza please return to your vehicle. Your lights are on..."

...OMG. Is Elon here?



Why is SpaceX unique?

No one else can launch and reuse rockets to deploy satellites that provide affordable internet version 2.0 to everyone on Earth.

One more thing. Tesla and SpaceX have the best engineers on the planet.

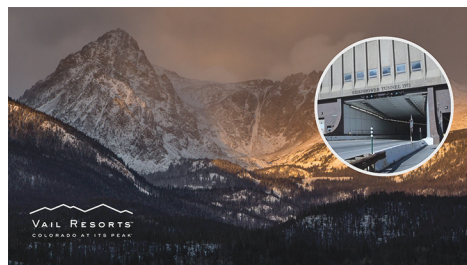


They are the number one and two career choices for today's top engineering graduates.

In 2023, these two companies, which employ 140,000 mission-driven individuals, had 3.5 million applicants for 30,000 jobs!!!!

All Baron cornerstone investments are unique.

A few examples...



Vail Resorts, Inc. The Eisenhower Tunnel on Interstate Highway 70 provides access to Vail from Denver in just two hours. Before the Ike tunnel, it was a 4 1/2 hour drive. 70% of Vail's Epic lift ticket passes for its 41 ski mountains are purchased before it even snows!



West Pharmaceutical Services, Inc. is the dominant provider of packaging components for injectable medicines. Although a small part of a drug's cost, FDA-approved packaging plays a critical role. West is benefiting from strong demand for obesity medicines.



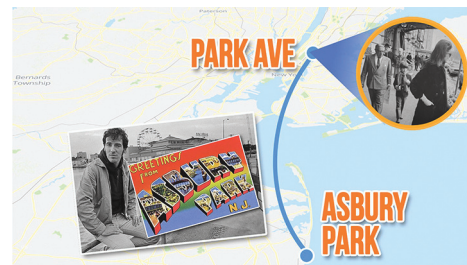
ANSYS, Inc. is a leading provider of data and compute to save time and money and improve product design.



Baron's cornerstone investments remind me of an iconic Patek Philippe advertisement. It's a picture of a young father wearing a Patek with his son.

"You never actually own a Patek Philippe. You merely look after it for the next generation."

We view Baron Capital through the same prism. Wealth creation through generational investments in unique assets and cornerstone businesses.



Baron Capital: Asbury Park to Park Avenue.

When we founded Baron Capital in 1982, we were undecided what to name it.

Steve Wynn advised me, "Ronnie, if you name your business after your family, that's making a promise."

We named our business Baron Capital.

The cornerstone of our firm bears not just my name, but that of my parents, grandparents, children, and grandchildren.

My intent was to build a multi-generational firm that achieves exceptional performance for its clients, its employees, and my family.

We have done that.

In the early days, when it was just Susan, Linda, and me, I wore a lot of hats.



This is an actual ad I wrote that ran in the *Wall Street Journal*. It cost me \$8,000. It generated 50 calls... and an order for two large pepperoni pizzas.

I often ask executives in whom we have invested whether their parents lived to see their success.



In my case, my mom lived to 93, my dad to 95. Both passed away in the past 10 years. So they saw it.

Ron's Conference Speech: Own It!

My promise, and Baron Capital's mission, is to provide "middle class" individuals like my parents, as well as wealthy families and institutions, an opportunity to invest in growth companies.

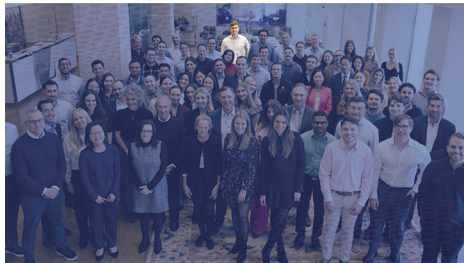
Our goal has always been to enable everyone to participate in the possibility of America, and to protect their savings from inflation.

I've spent my career studying, researching, investing in, and "not selling" great businesses. Baron Capital has been shaped by what we have learned.

Owning a business has made me a better analyst. Being an analyst has made me a better business owner.



Just like the businesses we find attractive, we consistently invest in Baron Capital's growing team of 45 analysts and portfolio managers... and more than 207 employees... year after year. Whether times are good, or uncertain. We have never had a layoff.



See that guy in the back there... we hired him during COVID...



He told Cliff that he played basketball on the Cornell team and made it to the NCAA Sweet 16. When Cliff was interviewing him on Zoom, he asked him to stand up.

"Eitan, how tall are you?... 6'8"... "You don't look that tall, stand up"... "I can't, I'm not wearing pants."

Just like long-term ownership of portfolio businesses is unusual, so are long-tenured investment managers and analysts.

I am incredibly lucky to spend days with exceptionally talented, hardworking, mission-driven individuals...



...including my two sons, David and Michael, with whom I have worked for more than 20 years. I have been discussing our business daily with David and Michael since they were children.

One more thing.

Two of my grandchildren, Leo, age 11, and Ari, age 9, are attending their first Baron conference today.

My other two grandchildren are napping. Unlike most of you, they are napping at home, not here in their seats...

I guarantee that before all four of my grandchildren graduate from grammar school, they will understand Baron Capital's mission and what I mean by "Own It!" ...

Thank you for trusting us with your savings.

Portfolio holdings as a percentage of net assets as of December 31, 2023 for securities mentioned are as follows: LVMH Moet Hennessy Louis Vuitton SE - Baron International Growth Fund (1.2%); **Arch Capital Group Ltd.** - Baron Asset Fund (3.4%), Baron Durable Advantage Fund (3.1%), Baron FinTech Fund (2.2%), Baron Focused Growth Fund (5.0%), Baron Growth Fund (8.5%), Baron International Growth Fund (2.1%), Baron Partners Fund (6.1%*); **Vail Resorts, Inc.** - Baron Asset Fund (2.7%), Baron Focused Growth Fund (4.3%), Baron Growth Fund (5.4%), Baron Partners Fund (3.2%*), Baron Real Estate Fund (0.9%); **ANSYS, Inc.** - Baron Asset Fund (3.8%), Baron Focused Growth Fund (2.6%), Baron Growth Fund (4.6%).

* % of Long Positions



30TH ANNUAL BARON INVESTMENT CONFERENCE

BARON CAPITAL'S TOP 30 HOLDINGS

As of 12/31/2023

| Rank | Ticker | Security Name | Year of First Purchase ¹ | Market Value (\$ Millions) | Ending Weight ² (%) | Total Realized and Unrealized Gains (\$ Millions) | Cumulative Total Return ³ (%) | Total Return Multiple | Annualized Total Return (%) |
|------|-----------|---|-------------------------------------|----------------------------|--------------------------------|---|--|-----------------------|-----------------------------|
| 1 | TSIA | Tesla, Inc. | 2014 | \$4,400 | 10.0 | \$5,419 | 1,989.5 | 20.9x | 35.9 |
| 2 | 931JQH909 | Space Exploration Technologies Corp. | 2017 | \$2,030 | 4.6 | \$1,255 | 576.4 | 6.8x | 35.5 |
| 3 | IT | Gartner, Inc. | 2007 | \$1,997 | 4.5 | \$2,558 | 1,671.8 | 17.7x | 18.8 |
| 4 | CSGP | CoStar Group, Inc. | 2001 | \$1,695 | 3.8 | \$1,940 | 4,936.9 | 50.4x | 19.3 |
| 5 | ACGL | Arch Capital Group Ltd. | 2002 | \$1,581 | 3.6 | \$1,733 | 2,497.9 | 26.0x | 16.2 |
| 6 | FDS | FactSet Research Systems Inc. | 2006 | \$1,325 | 3.0 | \$1,360 | 1,024.8 | 11.2x | 15.1 |
| 7 | MSCI | MSCI Inc. | 2007 | \$1,289 | 2.9 | \$1,362 | 2,406.3 | 25.1x | 22.1 |
| 8 | IDXX | IDEXX Laboratories, Inc. | 2005 | \$1,277 | 2.9 | \$2,274 | 3,756.5 | 38.6x | 21.3 |
| 9 | MTN | Vail Resorts, Inc. | 1997 | \$1,050 | 2.4 | \$1,150 | 1,136.4 | 12.4x | 9.8 |
| 10 | ANSS | ANSYS, Inc. | 2009 | \$721 | 1.6 | \$927 | 1,296.2 | 14.0x | 19.3 |
| 11 | H | Hyatt Hotels Corporation | 2009 | \$705 | 1.6 | \$501 | 377.3 | 4.8x | 11.7 |
| 12 | GWRE | Guidewire Software, Inc. | 2012 | \$694 | 1.6 | \$415 | 371.2 | 4.7x | 14.2 |
| 13 | KNSL | Kinsale Capital Group, Inc. | 2016 | \$645 | 1.5 | \$594 | 1,777.0 | 18.8x | 48.4 |
| 14 | IRDM | Iridium Communications Inc. | 2014 | \$578 | 1.3 | \$438 | 474.3 | 5.7x | 19.8 |
| 15 | SCHW | The Charles Schwab Corp. | 1992 | \$559 | 1.3 | \$1,462 | 10,867.0 | 109.7x | 16.3 |
| 16 | RRR | Red Rock Resorts, Inc. | 2016 | \$552 | 1.2 | \$294 | 247.8 | 3.5x | 17.6 |
| 17 | CHH | Choice Hotels International, Inc. | 1996 | \$545 | 1.2 | \$726 | 3,119.4 | 32.2x | 13.6 |
| 18 | GLPI | Gaming and Leisure Properties, Inc. | 2013 | \$413 | 0.9 | \$396 | 175.3 | 2.8x | 10.5 |
| 19 | TECH | Bio-Techne Corporation | 2009 | \$413 | 0.9 | \$401 | 558.2 | 6.6x | 13.5 |
| 20 | TSM | Taiwan Semiconductor Manufacturing Company Limited | 2013 | \$398 | 0.9 | \$247 | 641.8 | 7.4x | 20.9 |
| 21 | MTD | Mettler-Toledo International Inc. | 2008 | \$396 | 0.9 | \$946 | 1,581.4 | 16.8x | 20.6 |
| 22 | PRI | Primerica, Inc. | 2010 | \$393 | 0.9 | \$499 | 1,114.4 | 12.1x | 19.9 |
| 23 | MORN | Morningstar, Inc. | 2005 | \$379 | 0.9 | \$418 | 1,482.8 | 15.8x | 16.0 |
| 24 | WST | West Pharmaceutical Services, Inc. | 2013 | \$351 | 0.8 | \$496 | 1,007.2 | 11.1x | 25.6 |
| 25 | VRSK | Verisk Analytics, Inc. | 2009 | \$330 | 0.7 | \$446 | 806.6 | 9.1x | 16.8 |
| 26 | VRT | Vertiv Holdings Co | 2019 | \$324 | 0.7 | \$296 | 336.0 | 4.4x | 43.8 |
| 27 | 677172 | Samsung Electronics Co., Ltd. | 2013 | \$299 | 0.7 | \$151 | 175.6 | 2.8x | 10.5 |
| 28 | ICLR | ICON Plc | 2013 | \$280 | 0.6 | \$235 | 882.2 | 9.8x | 23.1 |
| 29 | NVDA | NVIDIA Corporation | 2018 | \$276 | 0.6 | \$192 | 648.7 | 7.5x | 46.6 |
| 30 | FND | Floor & Decor Holdings, Inc. | 2017 | \$252 | 0.6 | \$168 | 248.1 | 3.5x | 20.5 |

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's first purchase until 12/31/2023. Depending on Baron's purchases and sales over the period, this performance may be lower or higher than the performance of the security.

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 baronfunds.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.