



QUARTERLY LETTER | DECEMBER 31, 2025

# Baron Financials ETF<sup>®</sup>

Ticker: BCFN



Josh Saltman  
Portfolio Manager

Dear Baron Financials ETF Shareholder,

## Performance

In the quarter ended December 31, 2025, Baron Financials ETF<sup>®</sup> (the Fund) fell 2.22% (NAV) compared with a 7.19% decline for the FactSet Global FinTech Index (the FinTech Index) and a 2.07% gain for the MSCI USA Financials Index (the Financials Index). Since inception, the Fund has risen at a 10.21% annualized rate compared with 2.55% for the FinTech Index and 11.97% for the Financials Index.

On December 15, 2025, this product converted from a mutual fund to an exchange-traded fund (ETF), and the name was changed from Baron FinTech Fund to Baron Financials ETF. The conversion was made based on feedback from our investors who prefer ETFs because of their tax efficiency and trading flexibility. Concurrent with these changes, we are introducing a new benchmark (the MSCI USA Financials Index) to evaluate relative performance. Compared to the FinTech Index, the Financials Index skews more “Fin” than “Tech,” with heavier weightings in banks and insurance and lighter weightings in payments, software, and information services. The Financials Index is composed mostly of Leaders with larger market caps, while the FinTech Index includes more Challengers with smaller market caps.

While the product structure and name have changed, the investment strategy remains the same. We continue to take a growth approach to investing in financial and financial-related companies. We identify companies with long runways for growth, sustainable competitive advantages, and outstanding management teams and then buy when valuations enable us to double our money within five years. Our investable universe includes: (i) financial companies such as banks, insurers, and

## Annualized performance (%) for periods ended December 31, 2025<sup>†</sup>

	ETF <sup>1,2</sup>	MSCI USA Financials Index <sup>1</sup>	S&P 500 Index <sup>1</sup>	MSCI ACWI Index <sup>1</sup>	FactSet Global FinTech Index <sup>1</sup>
QTD <sup>3</sup>	(2.22)	2.07	2.66	3.29	(7.19)
1 Year	0.91	15.23	17.88	22.34	(4.16)
3 Years	16.52	19.82	23.01	20.65	10.55
5 Years	4.01	15.17	14.42	11.19	(2.90)
Since Inception (12/31/2019)	10.21	11.97	15.08	12.02	2.55

asset managers with unique competitive advantages and superior growth prospects; and (ii) financial-related companies such as payment businesses, financial exchanges, and data providers that enable financial transactions. The common denominator across all holdings is the use of technology and data to better serve customers and grow at above-average rates within the large, global market for financial services.

The fourth quarter of 2025 provided a steady finish for equity markets in an otherwise turbulent year, with moderate gains across most indices amid easing economic pressures and lower interest rates. Several factors underpinned quarterly gains and a sustained market rebound from the April 8 lows: moderating tariff impacts, robust corporate earnings, and continued monetary easing. Following a quarter point rate cut in September, the Federal Reserve (the Fed) lowered rates twice more in the fourth quarter. Large-cap technology stocks continued to lead the

*Performance listed in the above table is net of annual operating expenses. The total annual fund operating expense ratio as of December 5, 2025 was 0.80%. 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. Total returns assume the reinvestment of all distributions and the deduction of all fund expenses. Current performance may be lower or higher than the performance data quoted. For performance information current to the most recent month end, visit [BaronCapitalGroup.com](http://BaronCapitalGroup.com) or call 1-800-99-BARON.*

NAV and Market Price returns include returns of the Institutional Shares of the predecessor mutual fund prior to the ETF's commencement of operations. Prior to the ETFs listing on 12/15/2025 the NAV returns of the Institutional Shares of the predecessor mutual fund are used as proxy market price returns. If the predecessor mutual fund had been structured as an ETF, its performance may have differed.

market as the Magnificent Seven outperformed in the fourth quarter with a 3.6% return and contributed nearly half of the S&P 500 Index's 2.7% gain. Health Care and Communication Services (half of which is Alphabet Inc.) led the broader market (up 11.5% and 7.2%, respectively), while Financials advanced modestly (up 1.9%). Large caps outperformed mid-caps, while small caps held steady. Value outperformed growth across all size segments. International equities outperformed U.S. markets supported by currency tailwinds, easing trade concerns, and semiconductor strength in Asia.

In the fourth quarter, the Fund outperformed the FinTech Index but trailed the Financials Index and the S&P 500 Index. FinTech stocks broadly lagged, but the Fund outperformed the FinTech Index due to favorable stock selection within Information Services, an overweighting to Tech-Enabled Financials, and an underweighting to Payments. Underperformance versus the Financials Index was partly driven by low exposure to banks, the largest industry in the Financials Index (38% weighting) and the top performing industry for the period (up 8.1%). The Fund's small 6% average weighting in banks cost us nearly 2 percentage points of relative performance in the quarter. Overexposure to Challengers also weighed on relative performance against the Financials Index in a period when Leaders outperformed Challengers (flat versus down 6.3%, respectively). Other sources of weakness in the quarter included investments in Capital Markets, Financial Software, and Information Services. Underperformance against the S&P 500 Index was largely driven by low exposure to banks and a lack of exposure to Health Care, Alphabet, and semiconductor companies.

Within Capital Markets, overexposure to digital brokerage platform **Robinhood Markets, Inc.** and unique exposure to global investment bank **Houlihan Lokey, Inc.** weighed on relative performance versus the Financials Index. Robinhood shares fell 21.2% during the quarter after nearly quadrupling over the first nine months of the year. The company experienced some softening in customer engagement, especially in cryptocurrency trading alongside a pullback in crypto prices. Bitcoin fell 23.5% in the quarter, significantly underperforming nearly every major asset class. We believe softer crypto prices, combined with investor profit-taking after a significant run-up in the stock earlier in the year, contributed to underperformance during the quarter. Nevertheless, Robinhood was a top contributor for the year with shares tripling in 2025. Houlihan Lokey's stock price fell due to a slowdown in restructuring activity resulting from improving macroeconomic conditions and lower interest rates. However, these same conditions are driving strong growth in Houlihan Lokey's M&A and valuation advisory businesses, which collectively represent over three quarters of the business and drove 24% pretax earnings growth in the recent quarter.

Performance in Financial Software was hampered by property and casualty (P&C) insurance software vendor **Guidewire Software, Inc.**, whose shares fell as the broader software industry came under pressure due to fears of AI disintermediation. We believe vertical market software vendors, especially those serving highly regulated industries such as Guidewire, are most insulated from AI risk given their deep workflow integrations and high switching

costs. Within Information Services, positive gains from meaningful overexposure to the sector were offset by losses from insurance data and analytics vendor **Verisk Analytics, Inc.** Verisk shares declined amid expectations for near-term revenue deceleration driven by temporary headwinds, concerns over P&C insurance pricing trends, and broader industry-wide AI fears. We believe these near-term headwinds will soon pass as underlying business trends remain solid.

Partially offsetting the above was underexposure to the lagging Insurance sector, where softer industry pricing has led to slowing growth and weak share price performance for much of the year. Across the Fund, there were pockets of strength during the quarter with double-digit gains from **Neptune Insurance Holdings Inc.** (up 45.9%), **Clearwater Analytics Holdings, Inc.** (up 34.2%), **Jack Henry & Associates, Inc.** (up 23.0%), **Capital One Financial Corporation** (up 13.2%), **Fair Isaac Corporation** (up 13.0%), and **Accelerant Holdings** (up 10.1%).

## Top contributors to performance for the quarter

	Contribution to Return (%)
Fair Isaac Corporation	0.37
S&P Global Inc.	0.36
Jack Henry & Associates, Inc.	0.29
Apollo Global Management, Inc.	0.26
Clearwater Analytics Holdings, Inc.	0.26

**Fair Isaac Corporation** (FICO), a data and analytics company focused on predicting consumer behavior, contributed to performance. FICO reported strong quarterly financial results and solid fiscal 2026 guidance, which calls for 28% EPS growth. The company also launched its new Direct Licensing Program for mortgage lending, which provides greater flexibility to monetize its intellectual property. The initiative was well received by Federal Housing Finance Agency Director Bill Pulte, which should help temper concerns about regulatory risk. We expect FICO to retain its dominant market position in the consumer credit ecosystem and continue growing earnings per share at a rapid rate from price increases, a rebound in mortgage originations, and continued growth in non-mortgage consumer lending.

Leading rating agency and data provider **S&P Global Inc.** contributed to performance. Shares rebounded from a pullback in September that stemmed from a competitor's cautious commentary around market demand and margins. S&P Global alleviated these concerns by delivering strong third quarter results and raising its full-year financial guidance. The company is benefiting from elevated debt issuance, rising equity markets, and resilient demand for its software and data services. Momentum carried into the fourth quarter, with rated debt issuance growing more than 30% in October and November. Additionally, management provided medium-term financial guidance calling for 7% to 9% organic revenue growth, continued margin expansion, and double-digit annualized earnings per share growth. We continue to own S&P Global given the company's long growth runway and significant competitive advantages.

**Jack Henry & Associates, Inc.** is a leading provider of technology solutions for community banks and credit unions. Shares rose after the company reported better-than-expected quarterly results and raised financial guidance. Adjusted revenue grew 9% and earnings per share increased 21% in the quarter, reflecting a favorable demand environment, market share gains, and strong margin expansion. Management raised fiscal year guidance for both revenue and earnings while noting potential for further upside. Shares also benefited from expectations for competitive wins versus Fiserv as it undertakes a disruptive, multi-year effort to consolidate 16 core platforms. We expect Jack Henry to continue gaining share in a growing market as financial institutions increase investment in technology and automation.

#### Top detractors from performance for the quarter

	Contribution to Return (%)
Robinhood Markets, Inc.	(0.93)
MercadoLibre, Inc.	(0.61)
Guidewire Software, Inc.	(0.57)
Houlihan Lokey, Inc.	(0.45)
Fiserv, Inc.	(0.37)

**Robinhood Markets, Inc.** is a digital brokerage platform serving retail investors. Shares detracted during the quarter following robust performance over the first nine months of the year. While overall activity levels remain strong, Robinhood experienced some softening in customer engagement in November, with cryptocurrency trading volumes in particular declining on both a month-over-month and year-over-year basis. We believe this moderation in activity, combined with investor profit-taking after a significant run-up in the stock, contributed to the quarter's underperformance. Over the longer term, we believe Robinhood's strong position with a younger generation of investors, leading user experience, and rapid pace of product development will support continued growth across market cycles.

**MercadoLibre, Inc.**, the leading e-commerce marketplace and fintech provider in Latin America, detracted from performance on concerns over competition and margin pressure. Competitive intensity rose in Brazil as Amazon and Shopee ramped promotional activity and prioritized growth. MercadoLibre responded with discounts, expanded free shipping, and increased marketing, driving fears of margin compression. At the same time, investors began to discount emerging risks from agentic AI-driven commerce, which could pressure growth by reducing marketplace product discovery and high-margin advertising revenue. Continued volatility in Argentina, one of MercadoLibre's fastest-growing markets, also raised concerns that weaker economic conditions could result in less reliable profit contribution. We maintain conviction in the company's long-term opportunity. In our view, MercadoLibre is uniquely positioned to capture a significant share of Latin America's underpenetrated e-commerce and fintech markets because of its scale, customer trust, and unique ecosystem.

Shares of P&C insurance software vendor **Guidewire Software, Inc.** declined during the quarter following strong gains earlier in the year, as the broader software sector came under pressure. After a multi-year transition period, we think Guidewire's cloud migration is largely complete. We believe cloud will be the sole path forward, with annual recurring revenue benefiting from new customer wins and migrations of existing customers to InsuranceSuite Cloud. This progress is best exemplified by Guidewire's landmark 10-year agreement with Liberty Mutual, the fifth-largest U.S. insurer with \$45 billion in direct written premiums, to migrate its entire on-premise deployment of ClaimCenter and adopt PolicyCenter in the cloud. The deal should also help drive adoption among other Tier 1 carriers—now that Liberty Mutual has fully embraced the cloud, others are likely to follow. We believe that Guidewire will be the critical software vendor for the \$2.5 trillion global P&C insurance industry, capturing 30% to 50% of its \$15 billion to \$30 billion total addressable market and generating margins above 40%.

#### Portfolio Structure

We seek to invest in competitively advantaged, growing financial and financial-related companies for the long term. We invest in companies across all market capitalizations and geographies. As of December 31, 2025, the Fund held 43 positions (32 excluding those smaller than 1%). The Fund's 10 largest holdings represented 43.8% of net assets, and the 20 largest holdings represented 73.3% of net assets. International stocks represented 10.9% of net assets. The market capitalization range of our holdings was \$1 billion to \$686 billion with a median of \$34.8 billion and a weighted average of \$143.4 billion.

We segment the Fund's holdings into seven Baron-defined industries. As of December 31, 2025, Capital Markets represented 31.7% of net assets, Information Services represented 20.7%, Payments represented 17.4%, Financial Software represented 12.5%, Banks represented 8.2%, Insurance represented 7.7%, and Other Financials represented 1.5%. This quarter, we reclassified some of the industries to be more representative of the Financials Index. Relative to the Financials Index, the Fund has overweight positions in Information Services, Capital Markets, Financial Software, and Payments, is meaningfully underweight in Banks and Insurance, and is essentially market weight in Other Financials.

We also segment the Fund's holdings between Leaders and Challengers. Leaders are generally larger, more established companies with stable growth rates, higher margins, and moderate valuation multiples. Challengers are generally smaller, earlier-stage companies with higher growth rates, lower margins, and higher valuation multiples. As of December 31, 2025, Leaders represented 75.6% of net assets and Challengers represented 24.2%, with the remainder in cash.

## Top 10 holdings

	Year Acquired	Market Cap When Acquired (\$B)	Quarter End Market Cap (\$B)	Quarter End Investment Value (\$M)	Percent of Net Assets (%)
S&P Global Inc.	2020	67.9	162.0	3.2	5.7
Visa Inc.	2020	376.2	686.2	3.0	5.4
Mastercard Incorporated	2020	306.1	512.6	3.0	5.4
Intuit Inc.	2020	69.3	184.3	2.4	4.3
LPL Financial Holdings Inc.	2021	12.9	28.6	2.4	4.3
KKR & Co. Inc.	2024	88.9	113.6	2.3	4.1
MercadoLibre, Inc.	2020	53.7	102.1	2.2	3.9
The Charles Schwab Corporation	2022	130.9	182.6	2.2	3.8
Fair Isaac Corporation	2020	11.1	40.1	2.0	3.5
Nu Holdings Ltd.	2023	35.3	80.9	2.0	3.5

## Fund investments in GICS sub-industries

	Percent of Net Assets (%)
Capital Markets	31.7
Information Services	20.7
Payments	17.4
Financial Software	12.5
Banks	8.2
Insurance	7.7
Other Financials	1.5
Cash and Cash Equivalents	0.2
<b>Total</b>	<b>100.0*</b>

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

## Recent Activity

### Top net purchases for the quarter

	Quarter End Market Cap (\$B)	Net Amount Purchased (\$K)
Morgan Stanley	282.2	1,190.5
Capital One Financial Corporation	154.1	508.1
The Charles Schwab Corporation	182.6	201.3
KKR & Co. Inc.	113.6	22.2
TWFG, Inc.	1.6	9.6

During the quarter, the Fund invested in **Morgan Stanley**, a leading global investment bank and wealth management firm. Morgan Stanley has successfully diversified its business beyond cyclical banking and trading fees into more recurring wealth and investment management. These businesses collectively oversee

\$9.3 trillion in client assets that generate predictable, capital-light revenue that grows from inflows and market appreciation. Morgan Stanley has a unique client acquisition model that includes financial advisors, self-directed accounts, and workplace accounts, providing multiple avenues to serve clients. In 2025, the company amassed over \$350 billion in net new assets, with a 7% net inflow rate in the fourth quarter. These businesses provide a durable base of revenue and earnings for Morgan Stanley even when banking activity is slow. At the same time, Morgan Stanley remains a top three global investment bank, enabling the firm to generate considerably higher earnings during periods of strength in the capital markets.

Morgan Stanley benefits from numerous competitive advantages. It has a leading brand in banking and wealth management, long-held customer relationships, and access to premier industry talent. Its unique customer acquisition model gives Morgan Stanley a strong relationship with clients earlier in their wealth lifecycle and the ability to grow with clients as they build wealth. As Morgan Stanley grows revenues, we expect continued margin expansion from operating leverage and efficiencies from the broader usage of AI. The company has significant excess capital, which could be used to invest in the business or returned to shareholders, especially as capital requirements ease under a more business-friendly administration.

Through savvy acquisitions and disciplined execution, Morgan Stanley has leveraged its position as a top investment bank to build a global wealth platform, which provides earnings ballast and higher returns on equity. CEO Ted Pick and his two co-presidents have an average of 30 years' experience at Morgan Stanley and were instrumental in building the business up to its current state. We expect the company to continue compounding in its wealth and investment businesses and to gain market share in its investment bank. Together with margin expansion and capital return, this should drive considerable earnings growth and 20%-plus returns on equity.

The Fund also participated in the IPO of **Neptune Insurance Holdings Inc.**, the leading underwriter of private flood insurance. Neptune utilizes a proprietary underwriting model and easy-to-use technology to enable third-party insurance agents to offer flood insurance to their clients. The purchase of flood insurance is often mandatory in certain areas that are designated as high-risk, although flood damage also occurs outside of these zones since flood maps are often outdated and updating them is politically contentious.

Flood insurance in the U.S. is dominated by the government-run National Flood Insurance Program (NFIP). Neptune offers a private market alternative that is faster and easier for insurance agents to quote. This has allowed Neptune to expand the market by winning business outside of flood zones where insurance is not mandatory. In the recent quarter, over 80% of new business sales came from non-mandatory purchases. The company's proprietary underwriting model leverages a large claims database and is updated twice a week to improve performance. Neptune is an

MGA (Managing General Agent) meaning that it doesn't bear the risk of losses, which makes the business very capital efficient. The company writes business on behalf of 39 capacity providers, who in turn pay Neptune commissions for sourcing and underwriting the business.

Because of Neptune's quoting speed, ease-of-use, and competitive pricing, the company has been able to sign up over 80,000 insurance agencies to use its product and has grown to 260,000 policies. Neptune's distribution, underwriting model, and diverse capital sources are challenging for a new entrant to replicate, and its competitive advantages become stronger as the company scales. The company has a large opportunity to penetrate the 25 million properties that Neptune considers high-risk and take share from the NFIP, which is raising its rates following years of underpricing. We think this can support 15% to 20% EBITDA growth in our base case. We see the potential for further upside should the federal government take action to reform the NFIP and reduce its role in the flood insurance market since the program has lost \$36 billion since 2005 and relies on borrowing from the U.S. Treasury to remain solvent.

We added to **Capital One Financial Corporation**, which was a new addition in the prior quarter. We also added to **The Charles Schwab Corporation**, which is benefiting from positive earnings revisions, expanding margins, and higher capital returns after having repaid nearly all of its high cost funding.

#### Top net sales for the quarter

	Quarter End Market Cap (\$B)	Net Amount Sold (\$K)
Guidewire Software, Inc.	17.1	827.1
Interactive Brokers Group, Inc.	109.3	825.1
Shopify Inc.	209.9	813.7
Morningstar, Inc.	8.9	809.8
Intapp, Inc.	3.5	708.3

We trimmed **Guidewire Software, Inc.** on strength to manage exposure to the volatile software sector. We also trimmed **Interactive Brokers Group, Inc.** and **Shopify Inc.** following periods of significant outperformance to fund purchases elsewhere in the Fund with better expected returns. We sold **Intapp, Inc.** to reduce our software exposure and fund higher conviction ideas. We sold **CoStar Group, Inc.** due to limited success at Homes.com despite massive investments. After having sold most of our **Fiserv, Inc.** position in the second quarter, we eliminated the remaining position this quarter following a dramatic earnings reset. We used a period of takeover optimism to sell our small position in **BILL Holdings, Inc.** due to mixed execution and an increasingly competitive end market.

## Outlook

We remain optimistic about the outlook for the financial sector and our holdings. The macroeconomic environment is generally healthy and supportive of growth. On their fourth quarter earnings calls, the large banks noted resilience among consumers and businesses. JPMorgan Chase's CFO said, "Despite weak consumer sentiment, trends in our data are largely consistent with historical norms, and we are not seeing deterioration." The 4.4% unemployment rate in December is relatively low by historical standards, despite slowly creeping upwards over the last two years. Payment volumes are performing well with 7% growth.<sup>4</sup> Financial markets near record highs are contributing to the wealth effect, which helps stimulate spending. Credit trends remain stable with delinquency rates well contained. In a "K-shaped" economy, higher income households and larger corporates are driving more of the growth.

2026 starts with the tailwinds of constructive fiscal policy and easier monetary policy. Tax cuts from the One Big Beautiful Bill should deliver significant fiscal stimulus, totaling potentially hundreds of billions of dollars. Inflation continues to cool with core consumer price index growth of 2.6% in December, matching a four-year low and enabling the Fed to remain in an easing cycle with the forward curve assuming two rate cuts this year.

Across our Fund, near-term trends are most positive across the following areas:

- 1) U.S. banks are benefiting from deregulation in the form of reduced capital requirements, scaled-back Consumer Financial Protection Bureau oversight, withdrawn guidance on leveraged lending, and laxer M&A scrutiny. In addition, a steepening yield curve should enhance net interest margins while sustained economic growth should boost lending activity and temper credit losses.
- 2) Capital markets are wide open with elevated levels of debt issuance, equity offerings, and M&A volumes. Falling interest rates, rising equity prices, and improving corporate confidence are driving an optimistic outlook for deals, which should benefit advisory firms, rating agencies, and alternative asset managers.
- 3) Falling interest rates and federal support for housing should drive a continued rebound in mortgage origination volumes, which should benefit mortgage originators and credit bureaus.

We view political developments as the biggest risk at the start of the year. In a desire to promote affordability ahead of the midterm elections in November, President Trump called on banks to cap credit card interest rates at 10% for a year and showed support for the Credit Card Competition Act, which impacts credit card processing. Fears of a re-escalating trade war rose as President Trump threatened to increase tariffs on goods from several European countries until the U.S. is allowed to buy Greenland. Fed independence is being threatened as the Justice Department opened a criminal investigation into Fed Chair Jerome Powell, which many view as a thinly veiled attempt to pressure the Fed into lowering interest rates more quickly. In addition, the

Senate is drafting legislation to create a regulatory framework for cryptocurrency that could potentially boost digital asset adoption. A sticking point for some crypto companies is an effort by banks to ban the payment of interest to consumers for holding stablecoins, which banks argue would lead to deposit flight from the banking system and threaten financial stability. We are closely monitoring these political developments, but we believe our holdings are well positioned for long-term growth regardless of their outcomes.

Thank you for investing in Baron Financials ETF. We remain significant shareholders alongside you.

Sincerely,



Josh Saltman  
Portfolio Manager

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

<sup>1</sup> The **MSCI USA Financials Index** is designed to measure the performance of the large and mid cap segments of the US equity universe. The **S&P 500 Index** measures the performance of 500 widely held large-cap U.S. companies. The **MSCI ACWI Index Net (USD)** is designed to measure the equity market performance of large and midcap securities across 23 Developed Markets and 24 Emerging Markets countries. The **FactSet Global Fintech Index™** is an unmanaged and equal-weighted index that measures the equity market performance of companies engaged in Financial Technologies, primarily in the areas of software and consulting, data and analytics, digital payment processing, money transfer, and payment transaction-related hardware, across 30 developed and emerging markets. MSCI is the source and owner of the trademarks, service marks and copyrights related to the MSCI Indexes. The MSCI Indexes and the Fund include reinvestment of dividends, net of withholding taxes, while the FactSet Global Fintech Index™ and S&P 500 Index include reinvestment of dividends before taxes. Reinvestment of dividends positively impacts the performance results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly in an index.

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

<sup>3</sup> Not annualized.

<sup>4</sup> Based on JPMorgan's Q4 earnings call.

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

**Risks:** In addition to general market conditions, FinTech Companies may be adversely impacted by government regulations, economic conditions and deterioration in credit markets. Companies in the information technology sector are subject to rapid changes in technology product cycles; rapid product obsolescence; government regulation; and increased competition, both domestically and internationally, including competition from foreign competitors with lower production costs. The IT services industry can be significantly affected by competitive pressures, such as technological developments, fixed-rate pricing, and the ability to attract and retain skilled employees, and the success of companies in the industry is subject to continued demand for IT services. The Fund invests in companies of all sizes, including small and medium sized companies whose securities may be thinly traded and more difficult to sell during market downturns.

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

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

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