



QUARTERLY LETTER | JUNE 30, 2025

Baron Growth Fund®

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

Dear Baron Growth Fund Shareholder,

Performance

Baron Growth Fund® (the Fund) rose 0.86% (Institutional Shares) for the quarter ended June 30, 2025. This trailed the return of the Fund's benchmark, the Russell 2000 Growth Index (the Benchmark), which gained 11.97% for the quarter. The Russell 3000 Index, which measures the performance of the 3,000 largest publicly traded U.S. companies, gained 10.99% for the quarter.

Our strategy of owning a high-conviction portfolio of competitively advantaged businesses was out of favor this quarter, as investors bid up relatively riskier stocks, as measured by beta. We estimate that this quarter was the second-best quarter for relatively riskier stocks since 1998, trailing only the post COVID-rally in 2020. While our relative performance will inevitably vary across quarters, we are confident that our focus on owning a portfolio of sustainably differentiated businesses and holding it for the long term will continue to generate attractive returns over time.

U.S. stocks gained 10.94% during the second quarter as measured by the S&P 500 Index. While this represents significant quarterly appreciation, it understates the true magnitude of intra-quarter changes. Between April 1 and June 30, markets were confronted with the proposed upending of the international trade system, a series of bilateral trade agreements that seemed to be negotiated over social media, and a shooting war in the Middle East. Investors that tried to reposition their portfolios in response to these events could easily have sold their holdings during the 11% drawdown that began the quarter and would have missed the eventual 25% rally off April's lows.

We believe that these macroeconomic and geopolitical events are largely unpredictable and rarely have any long-term impact on the growth prospects, competitive advantages, or earnings power of companies. Rather than trying to react to such variables,



Neal Rosenberg
Portfolio Manager

Ron Baron
CEO, Portfolio Manager

Annualized performance (%) for period ended June 30, 2025

	Fund Retail Shares ^{1,2}	Fund Institutional Shares ^{1,2,3}	Russell 2000 Growth Index ¹	Russell 3000 Index ¹
3 Months ⁴	0.80	0.86	11.97	10.99
6 Months ⁴	(3.54)	(3.42)	(0.48)	5.75
1 Year	4.48	4.75	9.73	15.30
3 Years	8.42	8.70	12.38	19.08
5 Years	7.60	7.88	7.42	15.96
10 Years	9.23	9.51	7.14	12.96
15 Years	11.79	12.08	11.06	14.46
Since Inception (12/31/1994)	12.11	12.26	7.76	10.83

we exclusively invest in competitively advantaged businesses and hold them for the long term. We have worked to further increase the differentiation of our portfolio by gradually increasing its concentration over the last several years. As of June 30, the portfolio generates higher margins, cash flow, and returns on capital compared to its historical composition and the Benchmark, while targeting the same attractive growth profile that we have always pursued. Specifically, the operating margin of the portfolio has improved to 28.5%, which is approximately 530 basis points above our historical average and approximately 2,000 basis points above the Benchmark. We do not presently own any businesses that are unprofitable. Similarly, the free cash flow margin of the portfolio has expanded to 30.7%, which is approximately 910 basis points above our historical average and 2,080 basis points above the Benchmark. Finally, the return on invested capital (ROIC) of the portfolio has risen to 17.9%,

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

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which is 440 basis points above our historical average. The average ROIC of our benchmark is a shocking (0.3%).

We believe that the superior attributes of the individual stocks in which we have invested, coupled with our long holding period, have been the key drivers of our 30-year-plus track record. This focus also helps to reduce the aggregate risk of the portfolio. However, we recognize that the current rate of turnover in the portfolio is at the low end of our historical levels and the portfolio's concentration is at the high end of historical levels. We believe that it is important to increase our turnover and decrease our concentration back towards our historical levels. We expect to make progress on both fronts over the next several quarters by adding new positions to the portfolio. We have a large pipeline of new compelling ideas in both public and private securities, and we are confident that these will be additive to our returns going forward.

The Fund will begin adding smaller growth companies to its portfolio in the coming quarters. The superior financial attributes of the individual businesses that the Fund OWNS...coupled with the outstanding growth of those businesses... has allowed the Fund to be the NUMBER TWO performing small-cap growth fund since its inception in 1994! That growth was achieved by the exceptional management teams in whom we have invested. The due diligence we perform on these businesses is exemplified by one of the six key principles of our investment process, QUESTION EVERYTHING. That principle is followed by our 45 analysts and portfolio managers.

As of June 30, 2025, the Morningstar Mid-Cap Growth Category consisted of 494, 446, 367 and 148 funds, respectively, for the 1-, 5-, 10-year and since inception periods. Morningstar ranked Baron Growth Fund in the 84th, 67th, 55th, and 4th percentiles for the 1-, 5-, 10-year and since inception periods, respectively. The category average are 15.12%, 9.32%, 9.84% and 9.61% for the 3-month, YTD, 1-, 3, 5-, 10-year and since inception periods, respectively. The Morningstar percentile rankings are based on the total return, excluding sales charges, of all share classes of all funds within the Category.

As of June 30, 2025, the Baron Adjusted Morningstar Small Growth Category consisted of 557, 530, 416 and 44 funds, respectively, for the 1-, 5-, 10-year and since inception periods. The number of funds in the category may vary depending on the date that Baron made the calculation. Baron Growth Fund in the 67th, 51st, 27th, and 3rd percentiles for the 1-, 5-, 10-year and since inception periods, respectively. The category average of the Baron Adjusted Morningstar Small Growth Category are 8.07%, 7.88%, 8.40% and 9.66% for the 1-, 5-, 10-year and since inception periods, respectively. The Baron -Adjusted Morningstar Small Growth Category percentile rankings are based on the total return, excluding sales charges, of all share classes of all funds within the category.

Morningstar moved Baron Growth Fund from the Small Growth Category to the Mid-Cap Growth Category effective May 31, 2011. The Fund's investment mandate has been, and continues to be, to invest in small-cap growth stocks for the long term. Because of its long-term approach, the Fund could have a significant percentage of its assets invested in securities that have appreciated beyond

their market capitalization at the time of the Fund's initial investment. Morningstar calculates the Morningstar Mid-Cap Growth Category Average performance and rankings using its Fractional Weighting methodology.

We recognize another important reason for the Fund's performance is its exceptionally low turnover. We obviously adhere to the maxim, "you should leave the dance with the same girl you came with." Regardless, we recognize that the current rate of turnover in the portfolio is at the low end of our historic levels and the portfolio's concentration is at the high end of historic levels.

During the past three years stocks of smaller growth companies have underperformed larger-capitalization businesses...and especially underperformed stocks of larger technology businesses. You can prove this to yourself by reading Barron's newspaper every weekend and looking up the performance of small-cap growth mutual funds in the tables at the back of the weekly newspaper.

When the small-cap growth fund, Baron Growth Fund, has underperformed larger capitalization indexes for a sustained period, in the past its performance has soon afterward been exceptional. Although we certainly cannot assure you that will again be the case, we are working hard to achieve historic returns.

The past three years of underperformance by many really neat small-cap growth companies has created, in our opinion, a plethora of opportunities. Although we expect our existing portfolio of investments to soon again outperform, our researchers and managers are working hard to take advantage of the many investment opportunities in smaller publicly owned growth companies...which you can expect to soon begin to populate this portfolio.

Our performance this quarter benefited from our willingness to hold stocks even as they appreciate as long as our thesis remains intact and we see a path to attractive future returns. **Guidewire Software, Inc.**, the leading provider of core systems software to the property and casualty (P&C) insurance industry, gained 25.7% this quarter, and 70.8% over the last 12 months. We estimate that Guidewire has incurred almost \$2 billion of cumulative expenses over the last five years to develop and support its cloud offering, a level that exceeds that of its competitors by an order of magnitude. This investment has created a sustainably differentiated software platform with best-in-class capabilities, a near-perfect implementation track record, and a robust ecosystem of software and implementation partners. We believe that insurers are accelerating their transition to cloud-delivered core systems, and that Guidewire is poised to be the digital backbone for the majority of the \$2.5 trillion global P&C insurance industry. While Guidewire's stock price has increased more than 850% since we initiated our position, we believe the company has the potential to be 5 to 10 times larger than its current size, and we believe that its stock price can follow a similar trajectory.

Similarly, the Fund benefitted from our long-term ownership in **IDEXX Laboratories, Inc.**, the global leader in veterinary diagnostics, which gained 27.7% in the quarter. Shares lagged last year as modest declines in pet owner visits to U.S. veterinary clinics tempered IDEXX's short-term growth rate. Our research indicated that headwinds were

due to a temporary mix shift in pet age following the “pandemic puppy” boom, the echo effects of pets purchased during the great financial crisis reaching the end of their lifespans, and some macroeconomic headwinds in discrete markets. The combination of iterative research and 20 years of experience investing in animal health led us to conclude that the long-term secular drivers around diagnostic frequency, diagnostic intensity, and an ever-growing human-animal bond remained intact. We also remained confident that “demographics are destiny,” and as such believed short-term foot traffic headwinds will inevitably turn to tailwinds. More importantly, we were excited by IDEXX’s compelling new product cycle, in which the company has invested almost \$1 billion over the last 5 years alone. We expect this cycle to be underpinned by two new in-clinic instruments, a breakthrough cancer screening panel, and a series of menu expansions to its market-leading chemistry platform. We believe that this quarter’s attractive returns reflect other investors acknowledging IDEXX’s innovation-led growth potential. IDEXX’s stock price has increased more than 3,600% cumulatively, which corresponds to a 19.4% annualized return since our initial investment. Given the company’s vast addressable market, durable and expanding competitive advantages, and compelling financial model, we see earnings compounding at close to a 20% rate for the next 10 years and believe that stock performance should follow earnings growth.

Despite strong contributions from these individual stocks, our overall strategy of owning a high-conviction portfolio of secular growth business was out of favor during the quarter. While our relative performance will inevitably vary in the short term, we are confident that our strategy of owning a portfolio of businesses with attractive growth rates, large addressable markets, and durable competitive advantages will continue to generate attractive returns over time.

This optimistic outlook is consistent with our historical experience, where periods of meaningful outperformance frequently follow periods of relative underperformance. Over the last 10 years, the Fund has experienced four periods of underperformance versus its Benchmark. On average, these periods of underperformance lasted for just over a year, with the average shortfall being 10.9% cumulatively or 8.6% annualized. The Fund followed these periods of underperformance with much longer and more robust periods of outperformance. On average, the periods of outperformance lasted for almost two years, and on average the Fund outperformed by 27.2% cumulatively or 14.4% annualized during these periods. This has aggregated into excellent absolute and relative results for the fund over time.

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

Total returns by investment type for the quarter

	Percent of Net Assets (%)	Total Return (%)	Contribution to Return (%)
Disruptive Growth	4.2	20.34	0.78
FIGS, Inc.	1.2	22.88	0.24
Iridium Communications Inc.	3.0	10.98	0.29
ANSYS, Inc.	0.0	8.52	0.25
Farmers Business Network, Inc.	0.0	0.00	0.00
Northvolt AB	0.0	0.00	0.00
Russell 2000 Growth Index		11.97	
Core Growth	25.0	3.50	0.99
IDEXX Laboratories, Inc.	3.2	27.72	0.73
Guidewire Software, Inc.	3.4	25.67	0.73
CoStar Group, Inc.	6.4	1.48	0.12
Mettler-Toledo International Inc.	1.2	(0.52)	(0.01)
Bright Horizons Family Solutions, Inc.	0.6	(2.72)	(0.01)
Gartner, Inc.	8.6	(3.69)	(0.25)
Bio-Techne Corporation	1.4	(12.03)	(0.20)
Krispy Kreme, Inc.	0.0	(19.36)	(0.02)
Neogen Corp.	0.1	(44.87)	(0.10)
Financials	25.0	3.50	0.99
The Carlyle Group Inc.	1.1	18.92	0.18
Houlihan Lokey, Inc.	1.4	11.81	0.16
Moelis & Company	0.4	8.07	0.03
Morningstar, Inc.	4.9	4.85	0.24
MSCI Inc.	12.1	2.33	0.36
Kinsale Capital Group, Inc.	7.6	(0.54)	(0.09)
FactSet Research Systems Inc.	7.3	(1.34)	(0.08)
Primerica, Inc.	5.8	(3.45)	(0.21)
Arch Capital Group Ltd.	13.1	(5.29)	(0.73)
Cohen & Steers, Inc.	2.1	(5.38)	(0.12)
Clearwater Analytics Holdings, Inc.	0.1	(18.17)	(0.03)
Real/Irreplaceable Assets	25.0	3.50	0.99
Red Rock Resorts, Inc.	2.1	23.17	0.44
Vail Resorts, Inc.	5.4	(0.41)	(0.08)
Choice Hotels International, Inc.	6.5	(4.24)	(0.31)
Gaming and Leisure Properties, Inc.	3.9	(6.76)	(0.31)
Cash	(3.0)	–	–
Fees	0.0	(0.31)	(0.31)
Total	100.0*	0.90**	0.90**

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

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

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

Baron Growth Fund

Our investments in **Real/Irreplaceable Assets**, **Core Growth**, and **Financials** represent between 17.9% and 55.9% of the Fund's net assets, and aggregate to 98.8%. Another 4.2% of net assets are invested in businesses that we consider to be **Disruptive Growth** businesses, which we believe offer greater growth potential, albeit with more risk relative to other investments. We believe this balance appropriately reflects our goal to generate superior returns over time with less risk than the Benchmark. As shown in the table above, our Disruptive Growth investments outperformed the Benchmark, while the other three categories underperformed due to their higher quality and lower perceived risk, which were temporarily out of favor.

Performance:

Millennium internet bubble to present.

	Millennium Internet to Financial Panic 12/31/1999 to 12/31/2008	Financial Panic to Present 12/31/2008 to 6/30/2025	Millennium Internet Bubble to Present 12/31/1999 to 6/30/2025	Inception 12/31/1994 to 6/30/2025
Alpha (5%)	5.05	3.15	4.75	6.24
Beta	0.58	0.80	0.70	0.72

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

	Millennium Internet to Financial Panic 12/31/1999 to 12/31/2008		Financial Panic to Present 12/31/2008 to 6/30/2025		Millennium Internet Bubble to Present 12/31/1999 to 6/30/2025		Inception 12/31/1994 to 6/30/2025	
	Value of \$10,000	Annualized Return (%)	Value of \$10,000	Annualized Return (%)	Value of \$10,000	Annualized Return (%)	Value of \$10,000	Annualized Return (%)
Baron Growth Fund (Institutional Shares)	12,448	2.46	29,779	18.28	37,071	8.82	137,128	13.62
Russell 2000 Growth Index	6,476	(4.71)	31,779	19.47	20,579	4.77	49,088	8.07
Russell 3000 Index	7,634	(2.95)	27,046	16.54	20,648	4.79	68,059	9.81

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

The Fund has meaningfully outperformed its Benchmark over the long term. The Fund has gained 12.26% on an annualized basis since its inception on December 31, 1994, which exceeds that of the Benchmark by 4.50% and the Russell 3000 Index by 1.43%, annualized. This represents robust absolute and relative returns across a variety of market environments, driven primarily by favorable stock selection. We attribute this result to not losing money during periods of significant market drawdowns, as well as good absolute and relative performance versus the Benchmark during the most recent five-year period.

While the Fund did not make much money from December 31, 1999, through December 31, 2008, a period which includes the highs of the Internet Bubble and the lows of the Financial Panic, it did generate a positive annualized return of 2.46%. Conversely, a hypothetical investment in a fund designed to track the Fund's Benchmark would have declined in value by 4.71% on an annualized basis over the same time. Similarly, a hypothetical investment in a fund designed to track the Russell 3000 Index would have declined 2.95% annualized. (Please see Millennium Internet Bubble to Financial Panic period in table above). From the Financial Panic to present, the Fund generated an annualized return of 13.04%, which has exceeded that of its Benchmark by 1.79% annualized.

We believe that the power of compounding is better demonstrated by viewing these returns in dollar terms. A hypothetical investment of \$10,000 in the Fund at its inception on December 31, 1994 would be worth \$340,194 on June 30, 2025. This is approximately 3.5 times greater than the \$97,812 the same hypothetical investment made in a fund designed to track the Benchmark would be worth, and almost 50% more than a hypothetical investment in the Russell 3000 Index. Hypothetically, our returns were achieved with approximately 28% less volatility than the Benchmark, as represented by its beta. (Please see tables above) Importantly, we believe that the returns in

the portfolio have come primarily through the compounded growth in the revenue and cash flow of the businesses in which we have invested rather than increases in valuation multiples. We are pleased that our long-term investments in what we believe are competitively advantaged companies with attractive growth prospects and exceptional management teams have generated attractive returns in good markets and have helped to protect capital during more challenging ones.

Top contributors to performance for the quarter

	Year Acquired	Market Cap When Acquired (\$B)	Quarter End Market Cap (\$B)	Total Return (%)	Contribution to Return (%)
IDEXX Laboratories, Inc.	2005	1.9	43.1	27.72	0.73
Guidewire Software, Inc.	2012	1.3	19.8	25.67	0.73
Red Rock Resorts, Inc.	2016	2.3	5.5	23.14	0.44
MSCI Inc.	2007	1.8	44.8	2.32	0.36
Iridium Communications Inc.	2014	0.6	3.3	10.98	0.29

Shares of veterinary diagnostics leader **IDEXX Laboratories, Inc.** contributed to performance for the quarter after reporting better-than-expected financial results. Foot traffic to veterinary clinics in the U.S. remains under pressure, which has continued to hamper aggregate revenue growth. Despite macroeconomic challenges, IDEXX's excellent execution has enabled the company to maintain strong performance. We believe competitive trends are outstanding, and we expect new proprietary innovations and field sales force expansion to be meaningful contributors to growth in 2025. We see increasing evidence that long-term secular trends around pet

ownership and pet care spending have structurally accelerated, which should help support IDEXX's long-term growth rate.

Shares of P&C insurance software vendor **Guidewire Software, Inc.** contributed to performance on strong fiscal Q3 2025 financial results and an upward revision to full-year guidance. After a multi-year transition, we think Guidewire's cloud migration is largely complete. We believe cloud will be the sole path forward, with annual recurring revenue (ARR) benefiting from new customer wins and migrations of the existing customer base to InsuranceSuite Cloud. We also expect the company to shift R&D resources from infrastructure investment to product development, which should help drive cross-sales into its sticky installed base and potentially accelerate ARR growth over time. We are further encouraged by Guidewire's subscription-based gross margin expansion, which improved by more than 600 basis points in the most recently reported quarter. We believe Guidewire will be the critical software vendor for the global P&C insurance industry, capturing 30% to 50% of its \$15 billion to \$30 billion total addressable market and generating margins above 40%.

Red Rock Resorts, Inc. is a casino owner and operator focused on the Las Vegas Locals market. Shares rose during the quarter as the market returned to growth following the successful absorption of Red Rock's Durango property, which opened in December 2023. This recovery is expected to accelerate the return of customers to Red Rock's other casino resorts and fully offset prior cannibalization by mid-2026. Red Rock is currently renovating and expanding its three core assets. While these projects may cause some near-term construction disruption, we expect them to drive stronger earnings growth next year and generate attractive returns on capital. The resulting increase in cash flow should support further casino development, debt reduction, and additional dividend payments. The stock trades at a discount to its historical average, which we find attractive given the company's growth prospects and improving balance sheet.

Top detractors from performance for the quarter

	Year Acquired	Market Cap When Acquired (\$B)	Quarter End Market Cap (\$B)	Total Return (%)	Contribution to Return (%)
Arch Capital Group Ltd.	2002	0.4	34.1	(5.31)	(0.73)
Gaming and Leisure Properties, Inc.	2013	4.2	12.8	(6.75)	(0.31)
Choice Hotels International, Inc.	1996	0.4	5.9	(4.24)	(0.31)
Gartner, Inc.	2007	2.3	31.1	(3.70)	(0.25)
Primerica, Inc.	2010	1.0	9.1	(3.45)	(0.21)

Specialty insurer **Arch Capital Group Ltd.** gave back some of its gains from earlier in the year, following slower growth and broader weakness across insurance stocks during the second quarter. In the first quarter, premium growth came in below forecasts and slowed relative to the prior quarter due to rising competition and lower pricing in certain business lines. Even so, earnings beat expectations due to stronger underwriting margins and lower tax rates. We

continue to own the stock due to Arch's strong management team and our expectation of significant growth in earnings and book value over time.

Gaming and Leisure Properties, Inc. is a triple net REIT that owns and leases casino properties. Shares declined during the quarter amid investor concerns that interest rates would remain higher for longer, making the company's 6% dividend yield relatively less attractive. We remain shareholders. Gaming and Leisure Properties is collecting 100% of its rent, increasing rental rates by 2% annually, and growing its dividend at a low- to mid-single-digit rate per year. With a robust balance sheet and strong free cash flow profile, we believe the company is well positioned to continue making acquisitions and returning capital to shareholders through dividends. In our view, the current yield remains compelling and, when combined with earnings growth, should drive attractive returns over time.

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

Portfolio Structure and Investment Strategy

We seek to invest in businesses with attractive fundamental characteristics and long-term growth prospects. These attributes include high barriers to entry, sustainable competitive advantages, large and growing addressable markets, and durable secular tailwinds. We invest in business models that have recurring or predictable revenue, generate attractive incremental margins, are cash generative, and are not dependent on third-party financing. We invest with management teams that seek to consistently reinvest into their businesses to raise barriers to entry and pursue long-term profitable growth. We work with our growing team of analysts to conduct iterative and holistic due diligence by interacting with representatives of all company stakeholders. In addition to visiting regularly with a company's management team, we join our analysts in speaking with a company's existing and potential customers, key suppliers, and large competitors. We use such findings to refine our understanding of a business and its industry, assess its growth trajectory, test the durability of its competitive advantages, and ultimately reinforce or refute our investment thesis. We do this in an iterative manner and ultimately spend as much time researching

long-held positions as we do when researching new potential investments.

We hold investments for the long term. As of June 30, 2025, our weighted average holding period was 18 years. This is dramatically longer than most other small-cap growth funds, which, according to Morningstar, turn over about 67% of their portfolios annually based on an average for the last three years. The portfolio's 10 largest positions have a weighted average holding period of 19.7 years, ranging from an 8.6-year investment in **Kinsale Capital Group, Inc.** to investments in **Choice Hotels International, Inc.** and **Vail Resorts, Inc.** that exceed 28 years. We have held 20 investments, representing 90.7% of the Fund's net assets, for more than 10 years. We have held 7 investments, representing 12.4% of the Fund's net assets, for fewer than 10 years. We believe the tables below quantify the merits of our long-term holding philosophy.

Top performing stocks owned more than 10 years

	Year Acquired	Cumulative Return Since Date Acquired (%)	Annualized Return Since Date Acquired (%)
IDEXX Laboratories, Inc.	2005	3,626.5	19.4
Choice Hotels International, Inc.	1996	3,545.7	13.4
Arch Capital Group Ltd.	2002	3,249.0	16.3
MSCI Inc.	2007	2,501.3	20.3
CoStar Group, Inc.	2004	1,908.0	15.6
Gartner, Inc.	2007	1,725.7	17.7
Morningstar, Inc.	2005	1,650.6	15.3
Primerica, Inc.	2010	1,548.6	20.2
Mettler-Toledo International Inc.	2008	1,528.4	18.3
Cohen & Steers, Inc.	2004	1,361.1	13.7

The cohort of investments that we have held for more than 10 years earned a weighted average annualized rate of return of 15.9% since we first purchased them. This exceeded the performance of the Fund's Benchmark by 7.5% annualized. Three of these investments have achieved annualized returns that exceeded the Benchmark by more than 10% per year.

Top performing stocks owned less than 10 years

	Year Acquired	Cumulative Return Since Date Acquired (%)	Annualized Return Since Date Acquired (%)
Kinsale Capital Group, Inc.	2016	1,727.6	40.3
Houlihan Lokey, Inc.	2017	411.1	23.6
Red Rock Resorts, Inc.	2016	263.1	15.1
Clearwater Analytics Holdings, Inc.	2023	47.4	18.3

The cohort of investments that we have held for fewer than 10 years has returned 28.2% annually on a weighted average basis since our initial purchase, exceeding the Benchmark by 19.8% annualized. Two of these investments have achieved annualized returns that exceeded the Benchmark by more than 15% per year.

Portfolio Holdings

As of June 30, 2025, we owned 27 investments. The top 10 holdings represented 77.8% of the Fund's net assets, all of which have been held for a minimum of eight years. All were small-cap businesses at the time of purchase and have become top 10 positions through stock appreciation. Our holdings in these stocks have returned 18.6% annually based on weighted average assets since our initial investment, exceeding the Benchmark by an average of 10.4% annually. We attribute much of this relative outperformance to the superior growth rates and quality exhibited by these businesses relative to the Benchmark average. We believe all our positions offer significant further appreciation potential individually, and that the Fund's diversification offers potentially better-than-market returns with less risk than the market as measured by beta. Note that diversification cannot guarantee a profit or protect against loss.

Top 10 holdings

	Year Acquired	Market Cap When Acquired (\$B)	Quarter End Market Cap (\$B)	Quarter End Investment Value (\$M)	Percent of Net Assets (%)
Arch Capital Group Ltd.	2002	0.4	34.1	767.1	13.1
MSCI Inc.	2007	1.8	44.8	710.5	12.1
Gartner, Inc.	2007	2.3	31.1	505.3	8.6
Kinsale Capital Group, Inc.	2016	0.6	11.3	442.8	7.6
FactSet Research Systems Inc.	2006	2.5	17.0	426.7	7.3
Choice Hotels International, Inc.	1996	0.4	5.9	380.6	6.5
CoStar Group, Inc.	2004	0.7	33.9	375.9	6.4
Primerica, Inc.	2010	1.0	9.1	339.4	5.8
Vail Resorts, Inc.	1997	0.2	5.8	314.3	5.4
Morningstar, Inc.	2005	0.8	13.3	288.8	4.9

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


 Ronald Baron
 CEO
 Portfolio Manager


 Neal Rosenberg
 Portfolio Manager

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

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

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

⁴ Not annualized.

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

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

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

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

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The portfolio manager defines “**Best-in-class**” as well-managed, competitively advantaged, faster growing companies with higher margins and returns on invested capital and lower leverage that are leaders in their respective markets. Note that this statement represents the manager’s opinion and is not based on a third-party ranking. **Alpha** measures the difference between a fund’s actual returns and its expected performance, given its level of risk as measured by beta. **Beta** measures a fund’s sensitivity to market movements. The beta of the market (Russell 2000 Growth Index) is 1.00 by definition. **Free Cash Flow (FCF)** represents the cash that a company generates after accounting for cash outflows to support operations and maintain its capital assets. **Free Cash Flow (FCF) Margin** is a measure of profitability for a business. FCF Margin takes the free cash flow that a business generates and compares it against the revenue they earned during the same period. **Operating Margin** is a company’s profit for every dollar of sales after deducting production costs like wages and raw materials but before accounting for interest and taxes.

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