Dear Baron Technology Fund Shareholder:

Performance

During the fourth quarter, Baron Technology Fund® (the Fund) rose 18.95% (Institutional Shares), outperforming the MSCI ACWI Information Technology Index, which increased 17.56%. The Fund also outperformed the broader S&P 500 Index, which rose 11.69%. For the full year, the Fund gained 63.38%, ahead of both indexes, which returned 51.02% and 26.29%, respectively.

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

	Baron Technology Fund Retail Shares[1,2]	Baron Technology Fund Institutional Shares[1,2]	MSCI ACWI Information Technology Index[1]	S&P 500 Index[1]
Three Months[3]	18.82%	18.95%	17.56%	11.69%
One Year	62.41%	63.38%	51.02%	26.29%
Since Inception (December 31, 2021)	(4.97)%	(4.61)%	2.03%	1.69%

MICHAEL A. LIPPERT
PORTFOLIO MANAGER

ASHIM MEHRA
PORTFOLIO MANAGER

Retail Shares: BTEEX
Institutional Shares: BTECX
R6 Shares: BTEUX

Review & Outlook

U.S. equities rose sharply in November and December, pushing the broad market indexes to double-digit gains for the quarter and reversing the losses suffered over the preceding three months. Moderating inflation coupled with a softening labor market and a perceived peak in the current cycle of interest rate hikes were the main drivers of the broad-based rally. The S&P 500 Index was up more than 26% for the year, closing at a new all-time high, while the NASDAQ Composite Index appreciated nearly 45%, its best year since COVID in 2020. Most of the gains in the major market indexes came from the so-called *Magnificent Seven*, which together were up 76% for the year, driven, in part, by excitement surrounding their ability to gain from widespread adoption of artificial intelligence (AI). The Fund remains exposed to AI and other industry trends driving the performance of these technology leaders. We have significant investments in individual companies such as **Microsoft Corporation**, **NVIDIA Corporation**, **Amazon.com, Inc.**, **Tesla, Inc.**, and **Meta Platforms, Inc.**; and across the software, cloud computing, semiconductor, and electric vehicle (EV) industry verticals.

For the full-year 2023, we had 20 stocks that delivered total returns over 60% each, driving the Fund's return of just over 63%. In the table below, we show our top 12 contributors to portfolio return for 2023, as well as the key secular megatrends driving these businesses.

Performance listed in the above table is net of annual operating expenses. The gross annual expense ratio for the Retail Shares and Institutional Shares as of December 31, 2022 was 6.86% and 6.42%, respectively, but the net annual expense ratio was 1.20% and 0.95% (net of the Adviser's fee waivers and expense reimbursements), respectively. The performance data quoted represents past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original. The Adviser reimburses certain Fund expenses pursuant to a contract expiring on August 29, 2034, unless renewed for another 11-year term and the Fund's transfer agency expenses may be reduced by expense offsets from an unaffiliated transfer agent, without which performance would have been lower. Current performance may be lower or higher than the performance data quoted. For performance information current to the most recent month-end, visit baronfunds.com or call 1-800-99-BARON.

1 The **MSCI ACWI Information Technology Index Net (USD)** includes large and mid cap securities across 23 Developed Markets (DM) countries and 24 Emerging Markets (EM) countries. All securities in the index are classified in the Information Technology sector as per the Global Industry Classification Standard (GICS®). MSCI is the source and owner of the trademarks, service marks and copyrights related to the MSCI Indexes. The **S&P 500 Index** measures the performance of 500 widely held large-cap U.S. companies. The MSCI ACWI Information Technology Index Net (USD) and the Fund include reinvestment of dividends, net of foreign withholding taxes, while the S&P 500 Index includes reinvestment of dividends before taxes. Reinvestment of dividends positively impacts performance results. The indexes are unmanaged. Index performance is not Fund performance; one cannot invest directly into 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 Not annualized.

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

Company Name	Total Return	Percent Impact	Secular Trends
NVIDIA Corporation	238.0%	10.30%	AI Semiconductors Cloud Computing
Amazon.com, Inc.	80.5	7.33	Cloud Computing E-commerce Digital Media/Advertising
Microsoft Corporation	58.3	6.40	AI Cloud Computing SaaS
Meta Platforms, Inc.	192.5	4.32	Digital Media/Advertising Mobile AI
Advanced Micro Devices, Inc.	126.6	3.94	Semiconductors AI Cloud Computing
Tesla, Inc.	101.4	3.93	EVs/Autonomous Driving AI Robotics
ServiceNow, Inc.	81.9	2.59	SaaS AI
CrowdStrike Holdings, Inc.	141.4	2.06	Cybersecurity SaaS AI
HubSpot, Inc.	96.3	1.90	SaaS AI
Lam Research Corporation	87.7	1.89	Semiconductors AI Cloud Computing
Broadcom Inc.	104.0	1.84	Semiconductors AI Cloud Computing
Shopify Inc.	123.3	1.77	E-commerce Electronic Payments AI

We have both been investors for over two decades, and we have witnessed that sometimes the mere act of flipping the calendar can have a short-term impact on market sentiment and trading. But arbitrary dates – yes, even January 1 – have absolutely no impact on fundamental business trends and secular themes. There has been no change at all in our research-based view of the longer-term secular trends we emphasize, particularly AI, semiconductors, software, cloud computing, and EVs. The trends we emphasize are real and they are intact; they are not stopping or pausing. AI is real. Cloud computing is real. Digital media, entertainment, and e-commerce are real. EVs are real. Semiconductors powering every single digital or electronic device are real.

We understand fears sometimes arise regarding hype cycles; these days mostly centered around AI. But AI is NOT hype. The impact it is having – and will have – is real. And we are now just glimpsing the dawn of the AI era.[1] At the start of our careers, people worried whether the internet was hype. But today there is no longer a shred of doubt how it forever changed the world. At the time of its launch, people argued the iPhone was hype and that smartphone adoption would be a challenge. But today it is nearly universal, and no one disputes how a computer in the palm of our hand has transformed our lives. It is the same with AI. The way we interact with a computer and with our data will forever change. It's what we were waiting for. It's the future we predicted in every science fiction movie ever made. You just talk to the computer, and it does what you want. It's a new world…again. We heed the lessons of the last new worlds – own the trends, own the winners.

Indeed, the best technology investments of the last half century are those companies that forged disruptive trends and grew faster for longer than consensus estimates initially predicted. But the market has historically underestimated the long-term growth potential for top companies in new and innovative verticals. The market misjudged the growth that would be achieved by such disruptive and revolutionary developments as Microsoft's Windows operating system, Google's internet search engine, Amazon's e-commerce platform, Apple's iPhone, and Tesla's EVs. These companies always looked expensive when valued based on then-current Street estimates; but they weren't. They yielded great returns not because they were awarded premium multiples but because they crushed expectations, delivering loftier revenues, earnings, and cash flow than most investors thought they would. We believe the same thing will drive returns for the innovators across many layers of the AI stack, from semiconductors to applications.

Morgan Stanley's fourth quarter 2023 CIO Survey, one of the reports we track each quarter, provides real-time evidence of many of the AI, cloud, and software innovations woven throughout our portfolio. At the highest level, the survey indicates that overall Information Technology (IT) spending growth is expected to accelerate in 2024 from 2023 levels – 3.3% overall growth from 2.6% growth last year. More specifically, AI rose to the top of the CIO priority list for the first time, with 68% of CIOs expecting AI to directly impact their investment priorities, up from 45% back in the first quarter. Moreover, in the fourth quarter survey, 23% of CIOs (vs. 9% in the first quarter) reported "starting pilot projects" and 7% (vs. 2% in the first quarter) reported "launch[ing] significant new projects." The top 5 CIO priorities[2] encompass major technology themes reflected in the Fund: AI (13.3% of responses), data warehousing/analytics (8.3%), security software (8.0%), digital transformation (8.0%), and cloud computing (7.3%). The "most defensive" IT projects[3] – security software, AI/machine learning/process automation, and ERP applications – are also highly represented in the portfolio. Regarding cloud computing, CIOs reported an "acceleration in the public cloud transition," with 36% of application workloads residing in the public cloud today, a "significant uptick" from the 27% reported a year ago (fourth quarter 2022 survey). Morgan Stanley noted that "the ~9% jump surpass[ed] the historical pace of ~2 points per year by a wide margin." Going forward, CIOs expect the percentage of workloads stored in the public cloud to increase from 36% today to 43% by the end of this year

[1] See AMD CEO Dr. Lisa Su quote below, and NVIDIA CEO Jensen Huang quote in our September letter.
[2] The precise question in the survey was "which three external IT spending projects will see the largest percentage increase in 2024?"
[3] The net percentage of IT projects most and least likely to get cut in 2024.

and 53% by the end of 2026 (vs. 46% in the first quarter). As workloads shift to the cloud, Microsoft and Amazon remain the clear leaders and "best positioned to gain incremental share of IT budgets." Microsoft Azure remained CIO's preferred public cloud vendor and is expected to remain so over the next three years, followed by Amazon AWS.

Across the semiconductor industry, the AI and data center segments are witnessing a surge in demand for accelerated computing capabilities required for AI training and inferencing that is outstripping supply, and we expect this imbalance to persist through 2024. NVIDIA and **Advanced Micro Devices, Inc.** (AMD) were both top 5 contributors to Fund performance for the fourth quarter and the full-year 2023. NVIDIA is seeing the fruits of its nearly 20-year investment in AI and accelerated computing with data center revenues growing five-fold from $3 billion in 2019 to $15 billion in 2022 and expected to at least triple to $45 billion in 2023. CEO Jensen Huang put it straight on the company's November 21 earnings call:

> *"The generative AI era is in full steam and has created the need for a new type of data center, an AI factory, optimized for refining data and training and inference and generating AI. AI factory workloads are different and incremental to legacy data center workloads supporting IT tasks. AI factories run copilots and AI assistants, which are significant software TAM expansion, and are driving significant new investment, expanding the $1 trillion traditional data center infrastructure install base, and powering the AI industrial revolution."*

At AMD's December 6, 2023 "Advancing AI" product launch, for its MI300 series chips, the company's CEO, Dr. Lisa Su, made an astounding projection, forecasting that the data center AI accelerator market would grow faster than a 70% CAGR from $45 billion in 2023 to over $400 billion by 2027, marking a significant upward revision from previous estimates.[4] In her presentation, Lisa shared AMD's view of the impact of AI:

> *"A year ago, OpenAI unveiled ChatGPT. And it's really sparked a revolution that has totally reshaped the technology landscape…AI hasn't just progressed. It's actually exploded…It's actually the future of computing. At AMD, when we think about it,* ***we… view AI as the single most transformational technology over the last 50 years. Maybe the only thing that has been close has been the introduction of the internet…We're just at the very beginning of the AI era.*** *And we can see how it's so capable of touching every aspect of our lives…AI is already being used everywhere. Think about improving healthcare, accelerating climate research, enabling personal assistance for all of us and for greater business productivity, things like industrial robotics, security, and providing lots of new tools for content creators." (Emphasis added.)*

We continue to run a high-conviction portfolio with an emphasis on the secular trends cited above. Among others, during the fourth quarter we initiated positions in, or increased portfolio weights of, the following positions:

- Semiconductors and Semiconductor Equipment: **Micron Technology, Inc.**, **Lam Research Corporation**, and **Advanced Micro Devices, Inc.**
- Digital Media/Advertising: **The Trade Desk**
- Software: **HubSpot, Inc.**, **SentinelOne, Inc.**, and **GitLab Inc.**

We remain steadfast in our belief that exposure to the broader IT sector should be a material part of an investor's portfolio for the long term. Technology has the power to reshape industries, disrupt business models, and create opportunities for substantial wealth creation.

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

	Percent Impact
Microsoft Corporation	2.26%
Amazon.com, Inc.	1.81
Advanced Micro Devices, Inc.	1.52
NVIDIA Corporation	1.49
CrowdStrike Holdings, Inc.	1.13

Microsoft Corporation is the world's largest software company. Microsoft was traditionally known for its Windows and Office products, but over the last five years, it has built a $135 billion run-rate cloud business, including its Azure cloud infrastructure service and its Office 365 and Dynamics 365 cloud-delivered applications. The stock contributed to performance because of continued strong operating results, and investor enthusiasm regarding Microsofts's leadership across the secular megatrends of AI and cloud computing. As highlighted above, Morgan Stanley's fourth quarter 2023 CIO Survey confirmed the strength and attractiveness of Microsoft's product portfolio among its customer set: (1) 63% of CIOs expect to use at least one of Microsoft's generative AI products over the next 12 months; (2) "Microsoft widened its lead as the #1 share gainer of IT wallet share as a result of the shift to the cloud on both a 1-year and 3-year view;" (3) Microsoft Azure ranks as the preferred cloud vendor today (with 48% of application workloads today) and is expected to extend its lead over the next three years (to 50% of workloads). For the September quarter, Microsoft again reported better-than-expected financial results, highlighted by Microsoft Cloud growing 23% in constant currency and Azure revenue growing 28% in constant currency, a one-point acceleration from the June quarter, bolstered by ramping AI revenue contributing three points of growth (vs. guidance of two points). December quarter guidance came in well ahead of consensus, driven by continued strong trends across Microsoft Cloud, Azure, and AI. We remain confident that Microsoft is one of the best positioned companies across the overlapping software, cloud computing, and AI landscapes, with its vertically integrated technology stack and broad sales distribution. We believe Microsoft will continue taking share across its business, driving durable, long-term, double-digit growth and best-in-class profitability.

Amazon.com, Inc. is the world's largest retailer and cloud services provider. Shares of Amazon were up in the quarter. Reported results were better than consensus estimates, with a significant beat in North American operating profit and stabilization of AWS cloud computing trends. We believe the AWS cloud division has many years of growth ahead, with recent customer optimizations attenuating and AI emerging as a key driver. On the September quarter earnings call, CEO Andy Jassy declared: "AWS's year-over-year growth rate continued to stabilize...cost optimization…continued to attenuate as more companies transition to deploying net new workloads…[W]e're seeing the pace and volume of closed deals pick up…Top of mind for most companies continues to be generative AI…on AWS's AI work…we're focused on doing what we've always done for

[4] Approximately one year ago, Lisa forecast the data center AI accelerator market would grow at a 50% CAGR from $30 billion in 2023 to $150 billion in 2027.

customers, taking technology that can transform customer experiences and businesses, but that can be complex and expensive, and democratizing it for customers of all sizes and technical abilities." We also believe Amazon is well positioned in the short-to-medium term to meaningfully improve core North American retail profitability to above pre-pandemic levels, benefiting from its new regionalized fulfillment network and its growing margin-accretive advertising business. Longer term, Amazon has substantially more room to grow in e-commerce, where it has less than 15% penetration of the total addressable market. Amazon also remains one of the clear leaders in the vast and growing cloud infrastructure market, with large opportunities enabling generative AI workloads.

Advanced Micro Devices, Inc. (AMD) is a global fabless semiconductor company focusing on high-performance computing technology, software, and products. Shares of AMD rose during the quarter on anticipation of strong growth from its data center segment in 2024 and beyond, driven by a combination of its central processing unit (CPU) chips and its recently launched MI300 AI accelerator chips. Over the past several years, AMD has been gaining share from Intel in data center CPUs given the superior performance and total cost of ownership proposition of its products, with AMD at close to 30% share of data center CPU shipments exiting 2023 from virtually no share over five years ago. At its December "Advancing AI" event, AMD officially launched its MI300 accelerator that is similarly aimed at taking share from a large incumbent, in this case NVIDIA, but in the data center accelerator market. While NVIDIA is a more formidable competitor than Intel was at the time AMD re-entered the CPU market, AMD has launched a highly competitive chip at a time when its customers are clamoring for as much computing power as possible spurred by the AI infrastructure buildout, and we believe AMD will follow a similar playbook in becoming the number two supplier in a large and growing market. At the December event, AMD gave initial projections for "greater than $2 billion" in revenue from its MI300 products, and we along with most other analysts and investors believe they will blow these expectations away. Despite a strong year for the stock in 2023, we believe the opportunity for AMD in both data center CPUs and its accelerator products presents far more upside than currently embedded in the stock price and thus remain excited about the long-term prospects for the company.

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

	Percent Impact
Tesla, Inc.	–0.26%
Rivian Automotive, Inc.	–0.21
Ceridian HCM Holding Inc.	–0.06
Mobileye Global Inc.	–0.05
Tencent Holdings Limited	–0.04

Tesla, Inc. designs, manufactures, and sells EVs, related software and components, and solar and energy storage products. The stock detracted as the core automotive segment remained under pressure due to a complex macroeconomic environment, higher interest rates, factory shutdowns, and Tesla's price reductions throughout the year, presenting pressure on its near-term growth and margin profile. Nonetheless, Tesla continued to generate sufficient gross profit to support a robust product development plan that can propel the automotive segment higher over time. Tesla also started to deliver its highly anticipated Cybertruck, its first pickup truck with a tremendous amount of consumer interest and a slew of new technologies within the car and its manufacturing lines. The refreshed Model 3 also seems to be generating strong demand while improving unit-level economics. Lastly, while early, investors now expect Tesla to benefit from its investment in AI through development of autonomous driving technology and Dojo chips (AI training compute designed for image and video use case), autobidder (an automated energy trading platform), and Optimus (a humanoid robot).

Shares of **Rivian Automotive, Inc.**, a U.S.-based EV manufacturer, fell during the quarter and detracted from performance. At this early stage of ramping vehicle production and profitability, Rivian has been a volatile stock; it was our top contributor last quarter, and we have maintained it at a small position in the portfolio. We have long-term conviction in Rivian and its management team, but we recognize that Rivian introduced its R1 vehicles and started to ramp production during the perfect storm of the COVID pandemic, which yielded one of the most challenging periods in the automotive supply chain in decades, especially related to shortages in automotive semiconductors. Consequently, vehicle production scaled at a slower pace than scheduled, leading to unfavorable unit-level economics and significant cash outflows. Despite substantial improvements in production and delivery volumes in 2023, as well as improved unit economics, Rivian's operation remains unprofitable. As we've articulated in our recent letters, we believe Rivian is hitting a turning point in its execution, particularly ramping production, rolling out engineering innovations (such as the Enduro motor and lithium-iron-phosphate (LFP) battery pack) and lowering costs-of-goods-sold per vehicle. Rivian's third quarter results demonstrated that Rivian's unit-level economics continued to improve due to the company's rising production rate, which is driving better fixed cost absorption, and the ramp-up of its cheaper in-house technologies, including Enduro and LFP batteries. While backlog remains healthy for now, we are monitoring demand trends as production volume and competition increase. We think Rivian will benefit from the release of its next-generation R2 model, which it plans to unveil in early 2024.

Shares of **Ceridian HCM Holding Inc.**, a leader in payroll and human capital management (HCM) software, detracted from performance during the quarter. We attribute the relative decline to investors erroneously extrapolating growth issues at competitor Paycom onto the broader industry. We believe Paycom's issues are completely idiosyncratic. We also believe investors are concerned that slowing employment growth will reduce Ceridian's growth rate in the near term. While Ceridian has some exposure to employment levels, it is benefiting from secular trends around the modernization of HCM software and growing adoption of software-as-a-service. We believe Ceridian can continue to grow above 20%, helped by share gains, a move up-market, early international traction, and increasing success in cross-selling to existing customers.

Portfolio Structure

We invest in companies of any market capitalization that we believe will deliver durable growth from the development, advancement, and/or use of technology. We invest principally in U.S. securities but may invest up to 35% in non-U.S. securities.

At the end of fourth quarter, the largest market cap holding in the Fund was $3.0 trillion and the smallest was $1.1 billion. The median market cap of the Fund was $67.0 billion, and the weighted average market cap was $836.9 billion. We had $9.0 million in net assets.

We had investments in 38 unique companies. Our top 10 positions accounted for 52.5% of net assets.

Table V.
Top 10 holdings as of December 31, 2023

	Quarter End Market Cap (billions)	Quarter End Investment Value (thousands)	Percent of Net Assets
Microsoft Corporation	$2,794.8	$899.1	10.0%
NVIDIA Corporation	1,223.2	838.4	9.3
Amazon.com, Inc.	1,570.2	709.4	7.9
Tesla, Inc.	789.9	438.1	4.9
Advanced Micro Devices, Inc.	238.1	393.1	4.4
Apple Inc.	2,994.4	388.3	4.3
Lam Research Corporation	103.2	274.9	3.0
Meta Platforms, Inc.	909.6	271.5	3.0
Intuit Inc.	175.0	271.3	3.0
The Trade Desk	35.3	254.6	2.8

Table VI.
Fund investments in GICS industries as of December 31, 2023

	Percent of Net Assets
Semiconductors & Semiconductor Equipment	31.5%
Software	26.3
Broadline Retail	7.9
Automobiles	5.9
Technology Hardware Storage & Peripherals	4.3
Interactive Media & Services	3.9
IT Services	3.4
Media	2.8
Professional Services	2.4
Financial Services	2.0
Real Estate Management & Development	1.6
Electronic Equipment Instruments & Components	1.5
Hotels Restaurants & Leisure	1.2
Entertainment	0.9
Cash and Cash Equivalents	4.4
Total	100.0%*

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

Recent Activity

Table VII.
Top net purchases for the quarter ended December 31, 2023

	Quarter End Market Cap (billions)	Net Amount Purchased (thousands)
The Trade Desk	$ 35.3	$175.8
Micron Technology, Inc.	94.2	131.2
Lam Research Corporation	103.2	98.0
Microsoft Corporation	2,794.8	62.0
Advanced Micro Devices, Inc.	238.1	46.0

We added opportunistically to our position in **The Trade Desk** when shares traded down sharply after the company reported third quarter results and issued initial fourth quarter guidance. While third quarter results were solid, with sales growing 25% year-over-year (and 27% adjusting for political spending in 2022), Trade Desk's management team gave cautious fourth quarter guidance as they saw advertisers pause or taper advertising spending after the tragic October 7 events in Israel. Apart from this real but short-term pressure, Trade Desk demonstrated how it continued to gain market share, discussed the major drivers of its business, including streaming video advertising and shopper marketing, and expressed optimism for the remainder of the fourth quarter and 2024. We snapped up shares given our conviction in Trade Desk's business and management team and our long-term investment perspective.

We recently initiated a position in **Micron Technology, Inc.**, a frontrunner in the memory chip industry, renowned for its production of Dynamic Random Access Memory (DRAM, volatile memory) and non-volatile flash memory (NAND) chips. This strategic move aligns with the industry's significant momentum, particularly in the high bandwidth memory (HBM) area, a critical component in various AI chipset architectures. We believe Micron's superior technology in crafting high-performance HBM should position it to capture market share from competitors in the upcoming cycle. HBM manufacturing also strategically reduces the industry's overall DRAM capacity, creating a favorable tailwind for pricing dynamics that are showing signs of stabilizing after a period of decline. Further fortifying our investment rationale is Micron's groundbreaking 11ß DRAM process. This innovation introduces a suite of advantages, including enhanced density, accelerated data transfer rates, and heightened power efficiency. These technological advancements are pivotal, especially in the realm of AI, where they contribute to swifter training times for large language models and yield a more cost-effective total ownership model for data centers immersed in AI-intensive workloads. In our view, Micron's technological prowess and strategic positioning in the memory chip market present a compelling investment case, aligning with broader industry trends and specific advancements in AI-related infrastructure.

Lam Research Corporation is a leading global supplier of wafer fabrication equipment (WFE) and services to the semiconductor industry. Lam's products tend to focus on etch and deposition process steps and its tools are critical in the production of NAND and DRAM memory chips as well as logic devices. While the share of overall WFE spending looks relatively fragmented across the top four to five players in the industry, each of these leading companies tends to have significant share within smaller slices of the industry, creating a stable and favorable industry structure, with share shifts tending to only happen at times of technology transition in the broader industry. We added to our position in the quarter as we believe we are at one of those key transition points in the industry that will disproportionately benefit Lam, with a move to gate-all-around transistors in logic creating an increasing need for complex deposition and etch process stops and the emergence of HBM and advanced packaging requiring increasingly complex high-aspect-ratio or very deep etches, where Lam has virtually 100% market share. We also believe the market is underestimating the pent-up earnings power in the company as NAND WFE spending recovers in the coming years from one of its worst downcycles ever in 2023.

Table VIII.
Top net sales for the quarter ended December 31, 2023

	Quarter End Market Cap or Market Cap When Sold (billions)	Net Amount Sold (thousands)
CrowdStrike Holdings, Inc.	$ 61.3	$99.9
Mobileye Global Inc.	33.1	67.9
ZoomInfo Technologies Inc.	6.2	60.2
Tencent Holdings Limited	355.7	58.5
Arm Holdings plc	70.6	47.5

We trimmed our position in leading cybersecurity vendor, **CrowdStrike Holdings, Inc.**, after the stock performed very well in 2023, resulting in a higher valuation. We spread this capital around several of our other software investments (as shown in the Review and Outlook section above), including initiating a position in **SentinelOne, Inc.**, an emerging cybersecurity vendor.

We exited our investments in **Mobileye Global Inc.**, **ZoomInfo Technologies Inc.**, **Tencent Holdings Limited**, and **Arm Holdings plc** during the period.

To conclude, we remain confident in and committed to the strategy of the Fund: durable growth based on powerful, long-term, innovation-driven secular growth trends across the broader technology space.

Sincerely,

Michael A. Lippert
Portfolio Manager

Ashim Mehra
Portfolio Manager

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

Risks: In addition to general market conditions, technology companies, including internet-related and information technology companies, as well as companies propelled by new technologies, may present the risk of rapid change and product obsolescence, and their successes may be difficult to predict for the long term. Technology companies may also be adversely affected by changes in governmental policies, competitive pressures and changing demand. Non-U.S. investments may involve additional risks to those inherent in U.S. investments, including exchange-rate fluctuations, political or economic instability, the imposition of exchange controls, expropriation, limited disclosure and illiquid markets. The Fund is non-diversified, which means it may have a greater percentage of its assets in a single issuer than a diversified fund. The Fund invests in companies of all sizes, including small and medium sized companies whose securities may be thinly traded and more difficult to sell during market downturns.

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

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

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

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).