DEAR BARON GROWTH FUND SHAREHOLDER:

PERFORMANCE

Baron Growth Fund® (the Fund) gained 5.52% (Institutional Shares) for the quarter ended March 31, 2024. This trailed the return of the Fund's benchmark, the Russell 2000 Growth Index (the Benchmark), which gained 7.58% for the quarter. The S&P 500 Index, which measures the performance of publicly traded large-cap U.S. companies, gained 10.56% for the quarter.

The Fund's underperformance was partially due to not investing in two securities that generated over half of the Benchmark's return. Neither meets our investment criteria, and we will not compromise on business fundamentals to chase trends that we believe are temporarily in vogue or are highly speculative. We continue to be successful in generating favorable stock selection, which gives us confidence that our process is repeatable, scalable, and well positioned to deliver superior returns over time across all market cycles.

NEAL ROSENBERG
PORTFOLIO MANAGER

RONALD BARON
CEO AND PORTFOLIO MANAGER

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

Table I.
Performance
Annualized for periods ended March 31, 2024

	Baron Growth Fund Retail Shares[1,2]	Baron Growth Fund Institutional Shares[1,2,3]	Russell 2000 Growth Index[1]	S&P 500 Index[1]
Three Months[4]	5.46%	5.52%	7.58%	10.56%
One Year	12.16%	12.46%	20.35%	29.88%
Three Years	3.61%	3.87%	(2.68)%	11.49%
Five Years	11.40%	11.69%	7.38%	15.05%
Ten Years	10.53%	10.81%	7.89%	12.96%
Fifteen Years	14.86%	15.15%	13.39%	15.63%
Since Inception (December 31, 1994)	12.82%	12.97%	7.88%	10.75%

To begin this year, stocks continued their rally, with all major domestic indexes achieving new all-time highs on multiple occasions during the first quarter. Performance was driven by sustained macroeconomic growth and optimism that moderating inflation will enable the Federal Reserve to reduce interest rates this year. We expect investors to continue to allocate capital towards riskier assets such as stocks, as yields on cash decline from elevated levels.

The Benchmark returned 7.58% in the quarter. We note that just two stocks, Super Micro Computer, Inc. (Supermicro) and MicroStrategy Incorporated, generated over 50% of the Benchmark's total return for the quarter, which is something rarely seen in the small-growth universe. In fact, the combined impact of these two stocks on the Benchmark exceeded the aggregate impact of NVIDIA, Microsoft, Meta, and Amazon on the S&P 500 Index, despite the extraordinary hype and media attention surrounding these four mega-cap stocks. Supermicro, a manufacturer of computer servers and full-scale rack solutions, benefited from exuberance for AI-related investments. While the company's revenue growth is significant this year, it is non-recurring and does not convert to earnings or free cash flow at

Performance listed in the above table is net of annual operating expenses. The annual expense ratio for the Retail shares and Institutional shares as of September 30, 2023, was 1.30% and 1.05%, respectively (comprised of operating expenses of 1.29% and 1.04%, respectively, and interest expense of 0.01% and 0.01%, 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 baronfunds.com or call 1-800-99-BARON.

1 The **Russell 2000® Growth Index** measures the performance of small-sized U.S. companies that are classified as growth. The **S&P 500 Index** measures the performance of 500 widely held large-cap U.S. companies. 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 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; 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 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.

BARON FUNDS® 1987

attractive rates. Shares soared 255% in the quarter alone, propelling the stock to a market capitalization of nearly $60 billion. MicroStrategy, a vendor of business intelligence software and related services, has not succeeded in generating revenue growth since 2014. Rather than investing for growth, the company has invested its cash in Bitcoin, and is now the largest public holder of the digital currency. Investors presently view MicroStrategy as a proxy for Bitcoin, and shares jumped this quarter along with the price of the cryptocurrency.

When it comes to relative performance, Supermicro was a 265-plus basis point drag on performance this quarter, meaning the company itself was entirely responsible for our underperformance in the period. It is almost unprecedented for a single company to have such a dramatic impact on our relative performance over such a short period. We estimate that Supermicro's impact was nearly nine times greater than the average largest detrimental effect measured over the last 25 years, which was approximately 30 basis points.[1] This is a remarkable seven-plus standard deviations away from the norm.

Neither Supermicro nor MicroStrategy have operating businesses that meet our stringent investment criteria. As mentioned above, wee will not change our process or strategy, nor compromise on our criteria, to pursue trends that we think are short term or speculative. Instead, we exclusively seek to invest in businesses with sustainable competitive advantages, that sell highly differentiated products or services, have sticky customer bases, and are run by management teams that optimize for long-term growth. We spend the majority of our time working with our growing team of analysts to iteratively research these businesses. We seek to invest in those businesses at attractive prices, and endeavor to hold our investments for the long term. We note that the Fund's performance exceeded that of the Benchmark in the quarter when excluding the gains generated by these two outliers, and we were pleased that our performance was driven by favorable stock selection in this hypothetical scenario.

Last quarter, we highlighted how a federal jury in Kansas City determined that the National Association of Realtors (NAR) and large residential brokerages conspired to keep commission rates artificially high. We noted that the verdict could change how residential real estate brokers in the U.S. are compensated for their services, leading to enhanced clarity and lower fees for consumers. We were optimistic that such a development would provide a meaningful tailwind for our investment in **CoStar Group, Inc.**, a leading provider of real estate information, analytics, and marketplaces.

In mid-March, the NAR announced a $418 million national settlement to resolve all class action lawsuits challenging the industry's commission policies. If approved by the court, the settlement will resolve claims against the NAR, approximately 1 million NAR members, association-owned multiple listing services (MLS), and all brokerages with less than $2 billion of transaction volume in 2022. Large brokerages will seek to craft their own settlements, and we anticipate that the total settlement proceeds will be in the billions of dollars.

While the monetary damages sound significant, they are modest for an industry that is estimated to generate over $100 billion in annual revenue. However, we believe that the settlement proscribes two important changes that could result in more significant changes for brokers, brokerages, and homeowners. First, listing agents will no longer be able to offer buyer agents a commission split directly on the MLS. This practice, known as "cooperative compensation," encourages buyer brokers to steer their clients towards the properties that offer them the highest commission payout rather than what best meets their client's needs. The Department of Justice (DOJ) has argued that cooperative compensation serves to artificially inflate overall brokerage commissions, harming both buyers and sellers. Additionally, the settlement will require buyer brokers to sign written contracts with prospective buyers before touring a home, helping to enhance transparency around fees and services. The settlement calls for both changes to be implemented in July 2024.

We expect more information to come to light over the next several weeks as various judges and perhaps the DOJ opine on the settlement terms. As is typical with all legal settlements, the true outcome will be determined by the fine print and how various parties choose to interpret it. We are optimistic that the terms, as proposed, will help add incremental transparency to the complex, convoluted, and opaque process of buying and selling a home. We also believe that the settlement will have some success in reducing aggregate brokerage commissions from their historic level of 6%, but we do not believe the changes are significant enough to drive commissions toward the 2% to 3% level that predominates globally.

We believe the changes are positive for our investment in CoStar. We expect CoStar to invest almost $1 billion into Homes.com in 2024, and we see a path to management creating a residential business with $2.5 billion of revenue and 50% EBITDA margins. We note that CoStar's management is even more optimistic about the potential for Homes.com. We think the changes are likely to increase the importance of listing brokers, which CoStar's Homes.com platform has been specifically courting. We also think that lower buyer broker commissions may be negative for Homes.com's incumbent competitors, helping to improve Homes.com's competitive position.

Table II 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.

Table II.
Total returns by category for the three months ended March 31, 2024

	% of Net Assets (as of 3/31/2024)	Total Return (%)	Contribution to Return (%)
Financials	**46.3**	**13.18**	**5.78**
Kinsale Capital Group, Inc.	6.5	56.73	2.55
Arch Capital Group Ltd.	10.4	24.46	2.18
Primerica, Inc.	4.7	23.31	0.97
The Carlyle Group Inc.	0.9	16.20	0.14
Essent Group Ltd.	0.4	13.41	0.05
Morningstar, Inc.	3.5	7.89	0.26
Houlihan Lokey, Inc.	0.7	7.36	0.05
Cohen & Steers, Inc.	1.7	2.35	0.02
Moelis & Company	0.2	2.23	0.00

[1] 1 - The quarterly performance impacts referenced were determined using security-level attribution for a composite of Baron's Small Cap Funds (Baron Discovery Fund, Baron Small Cap Fund, and Baron Growth Fund) versus the Russell 2000 Growth Index to identify the largest negative impacts from individual securities that were unique to the Index (i.e., not owned by any of the Baron small-cap funds and relative performance was penalized as a result) every quarter for the last 25 years.

Table II. (continued)

	% of Net Assets (as of 3/31/2024)	Total Return (%)	Contribution to Return (%)
Financials (continued)			
MSCI Inc.	10.4	–0.64	–0.10
FactSet Research Systems Inc.	6.8	–4.55	–0.34
Clearwater Analytics Holdings, Inc.	0.1	–11.68	–0.01
Russell 2000 Growth Index		**7.58**	
Core Growth	**28.4**	**5.29**	**1.48**
Trex Company, Inc.	1.2	20.52	0.23
Bright Horizons Family Solutions, Inc.	1.1	20.32	0.20
West Pharmaceutical Services, Inc.	1.8	11.14	0.22
CoStar Group, Inc.	6.2	10.54	0.59
Mettler-Toledo International Inc.	1.1	9.73	0.10
Guidewire Software, Inc.	1.3	7.04	0.10
Gartner, Inc.	8.8	5.67	0.51
Krispy Kreme, Inc.	0.9	1.22	0.00
IDEXX Laboratories, Inc.	3.4	–2.73	–0.10
Bio-Techne Corporation	2.4	–8.73	–0.27
Littelfuse, Inc.	–	–10.32	–0.02
Neogen Corp.	0.3	–21.53	–0.08
Real/Irreplaceable Assets	**16.9**	**3.02**	**0.52**
Red Rock Resorts, Inc.	1.5	14.64	0.20
Choice Hotels International, Inc.	4.7	11.52	0.52
Boyd Gaming Corporation	0.4	7.81	0.03
Vail Resorts, Inc.	5.5	5.46	0.33
Marriott Vacations Worldwide Corporation	–	3.09	0.00
Alexandria Real Estate Equities, Inc.	1.1	2.74	0.03

Table II. (continued)

	% of Net Assets (as of 3/31/2024)	Total Return (%)	Contribution to Return (%)
Real/Irreplaceable Assets (continued)			
Douglas Emmett, Inc.	0.7	–2.94	–0.03
Gaming and Leisure Properties, Inc.	3.0	–5.09	–0.20
PENN Entertainment, Inc.	–	–32.03	–0.36
Disruptive Growth	**8.3**	**–18.12**	**–1.99**
Altair Engineering Inc.	0.8	2.38	0.02
Farmers Business Network, Inc.	0.0	–	–
ANSYS, Inc.	4.3	–4.33	–0.23
Northvolt AB	0.1	–16.44	–0.03
FIGS, Inc.	0.7	–28.68	–0.26
Iridium Communications Inc.	2.4	–36.15	–1.49
Cash	**0.1**	**–**	**0.00**
Fees	**–**	**–0.29**	**–0.29**
Total	**100.0***	**5.50****	**5.50****

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

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

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

Our investments in **Real/Irreplaceable Assets**, **Core Growth**, and **Financials** represent between 16.9% and 46.3% of the Fund's net assets, and aggregate to 91.6% of net assets. Another 8.3% 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 Financials investments meaningfully outperformed the Benchmark, while our investments in the other three cohorts trailed the Benchmark in the quarter.

Table III.
Performance Characteristics
Millennium Internet Bubble to Post-COVID-19

	Millennium Internet Bubble to Financial Panic 12/31/1999 to 12/31/2008	Financial Panic to Present 12/31/2008 to 3/31/2024	Millennium Internet Bubble to Present 12/31/1999 to 3/31/2024	Inception 12/31/1994 to 3/31/2024
Alpha (%)	5.05	3.90	5.36	6.81
Beta	0.58	0.81	0.70	0.72

Table IV.
Performance
Millennium Internet Bubble to Post-COVID-19. The Impact of Not Losing Money.

	Millennium Internet Bubble to Financial Panic 12/31/1999 to 12/31/2008		Financial Panic to Present 12/31/2008 to 3/31/2024		Millennium Internet Bubble to Present 12/31/1999 to 3/31/2024		Inception 12/31/1994 to 3/31/2024	
	Value $10,000	Annualized	Value $10,000	Annualized	Value $10,000	Annualized	Value $10,000	Annualized
Baron Growth Fund	$12,448	2.46%	$76,857	14.31%	$95,675	9.76%	$353,909	12.97%
Russell 2000 Growth Index	$ 6,476	–4.71%	$59,444	12.40%	$38,494	5.72%	$ 91,821	7.88%
S&P 500 Index	$ 7,188	–3.60%	$78,584	14.47%	$56,486	7.40%	$198,331	10.75%

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

The Fund has meaningfully outperformed its Benchmark over the long term. The Fund has gained 12.97% on an annualized basis since its inception on December 31, 1994, which exceeds that of the Benchmark by 5.09% and the S&P 500 Index by 2.22%, 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, such as the nine years ended December 2008, as well as robust absolute and relative performance versus the Benchmark during the most recent five-year period, which featured two significant market corrections.

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 large-cap S&P 500 Index would have declined 3.60% annualized. (Please see Table IV–Millennium Internet Bubble to Financial Panic). From the Financial Panic to present, the Fund generated an annualized return of 14.31%, which has exceeded that of its Benchmark by 1.91% 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 $353,909 on March 31, 2024. This is approximately 3.9 times greater than the $91,821 the same hypothetical investment made in a fund designed to track the Benchmark would be worth, and almost double a hypothetical investment in the S&P 500 Index. Hypothetically, our returns were achieved with approximately 28% less volatility than the Benchmark, as represented by its beta. (Please see Tables III and IV.) 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.

Table V.

Top contributors to performance for the quarter ended March 31, 2024

	Year Acquired	Market Cap When Acquired (billions)	Quarter End Market Cap (billions)	Total Return	Percent Impact
Kinsale Capital Group, Inc.	2016	$0.6	$12.2	56.73%	2.55%
Arch Capital Group Ltd.	2002	0.4	34.6	24.46	2.18
Primerica, Inc.	2010	1.0	8.8	23.31	0.97
CoStar Group, Inc.	2004	0.7	39.5	10.54	0.59
Choice Hotels International, Inc.	1996	0.4	6.3	11.52	0.52

Specialty insurer **Kinsale Capital Group, Inc.** contributed to performance due to financial results that exceeded Street forecasts. After a slowdown in the prior quarter, gross written premiums grew 34% and EPS grew 49% with a record-high underwriting margin. Market conditions remain favorable with rising premium rates and more business shifting from the standard market to the excess and surplus lines market where Kinsale operates. In addition, insurance stocks broadly rebounded from last quarter's pullback as interest rates stabilized. We continue to own the stock because we believe Kinsale's proprietary technology and data represent sustainable competitive advantages that enable the company to sustainably gain share in an attractive segment of the insurance market.

Specialty insurer **Arch Capital Group Ltd.** contributed to performance after reporting strong financial results that exceeded Street expectations. In the most recent reported quarter, operating ROE was 24% and book value per share rose 44% as underwriting profitability remained excellent. Pricing trends in the P&C insurance market are favorable, and elevated interest rates are driving higher investment income. Insurance stocks broadly rebounded from weakness in the prior quarter as rates stabilized. We continue to own the stock due to Arch's strong management team and our expectation for significant growth in earnings and book value.

Primerica, Inc. is a leading provider of term life insurance and investment products in the U.S. and Canada. Shares increased after the company reported solid growth in the fourth quarter of 2023. Financial results reflected steady growth in term life insurance revenue, higher investment product sales and appreciation of client asset values, and higher net investment income. We expect positive momentum to continue into 2024. In addition, the company is repurchasing a significant amount of stock at an attractive valuation, boosting earnings per share. We continue to own the stock because we expect earnings growth to persist as Primerica provides much-needed financial advice to underserved middle-income households.

Table VI.

Top detractors from performance for the quarter ended March 31, 2024

	Year Acquired	Market Cap When Acquired (billions)	Quarter End Market Cap or Market Cap When Sold (billions)	Total Return	Percent Impact
Iridium Communications Inc.	2014	$0.6	$ 3.2	–36.15%	–1.49%
PENN Entertainment, Inc.	2008	2.5	2.7	–32.03	–0.36
FactSet Research Systems Inc.	2006	2.5	17.3	–4.55	–0.34
Bio-Techne Corporation	2009	2.1	11.1	–8.73	–0.27
FIGS, Inc.	2022	1.7	0.8	–28.68	–0.26

Iridium Communications Inc. is a mobile voice and data communications services vendor offering global coverage via satellite. Shares fell during the quarter as investors assessed the potential for SpaceX to take market share from Iridium in the maritime business. The stock's multiple has been broadly under pressure since late 2023 when Qualcomm unexpectedly terminated an agreement with Iridium to enable direct-to-device workloads on Iridium's network. Despite these headwinds, we retain conviction in the opportunity. We believe that Iridium is a unique satellite asset and operator, with L-band spectrum, global coverage, years of operational experience, relatively new satellite hardware, and hundreds of partners across verticals and geographies. In addition, management announced a commitment of $3 billion in returns to shareholders between 2023 and 2030, which represents a material portion of the current enterprise value.

Regional casino company **PENN Entertainment, Inc.** detracted from performance. PENN reported declining market share in its sports betting app ESPN Bet due to fewer promotions and more competition. The expected increase in losses in the digital business will likely force PENN to take on additional leverage, which will cut into the company's share repurchase capacity. We exited our position.

Shares of **FactSet Research Systems Inc.**, a leading provider of investment management tools, detracted from performance. While the company reported solid earnings for the second fiscal quarter of 2024, it revised its fiscal year 2024 growth in annual subscription value towards the lower end of the prior guidance range given ongoing challenges in the financial services end-market. FactSet has a strong pipeline and is seeing signs of stabilization, but client caution continues to delay purchasing decisions. While there is some near-term uncertainty, we maintain long-term conviction in FactSet due to the company's large addressable market, consistent execution on both new product development and financial results, and robust free-cash-flow generation.

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 March 31, 2024, our weighted average holding period was 16.5 years. This is dramatically longer than most other small-cap growth funds, which, according to Morningstar, turn over about 71% 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 18.2 years, ranging from a 7.3-year investment in **Kinsale Capital Group, Inc.** to investments in **Choice Hotels International, Inc.** and **Vail Resorts, Inc.** that now both exceed 27 years. We have held 23 investments, representing 85.3% of the Fund's net assets, for more than 10 years. We have held 13 investments, representing 14.6% of the Fund's net assets, for fewer than 10 years. We believe that Table VII and Table VIII quantify the merits of our long-term holding philosophy.

Table VII.
Top performing stocks owned more than 10 years

	Year of First Purchase	Cumulative Total Return Since First Date of Purchase	Annualized Return Since First Date of Purchase
IDEXX Laboratories, Inc.	2005	3,651.5%	20.9%
Choice Hotels International, Inc.	1996	3,490.2	14.0
Arch Capital Group Ltd.	2002	3,133.4	17.1
MSCI Inc.	2007	2,390.2	21.7
CoStar Group, Inc.	2004	2,312.6	17.8
Gartner, Inc.	2007	2,053.0	20.3
Mettler-Toledo International Inc.	2008	1,745.4	21.0

The cohort of investments that we have held for more than 10 years earned a weighted average annualized rate of return of 17.3% since we first purchased them. This exceeded the performance of the Fund's Benchmark by 8.4% annualized. Six of these investments have achieved annualized returns that exceeded the Benchmark by more than 10% per year.

Table VIII.
Top performing stocks owned less than 10 years

	Year of First Purchase	Cumulative Total Return Since First Date of Purchase	Annualized Return Since First Date of Purchase
Kinsale Capital Group, Inc.	2016	1,878.4%	50.3%
Altair Engineering Inc.	2017	370.5	27.4
Moelis & Company	2015	300.8	16.9
Red Rock Resorts, Inc.	2016	298.7	19.1
Iridium Communications Inc.	2014	266.7	14.0
Houlihan Lokey, Inc.	2017	257.6	21.9

The cohort of investments that we have held for fewer than 10 years has returned 28.7% annually on a weighted average basis since our initial purchase, exceeding the Benchmark by 18.8% annualized. Three of these investments have achieved annualized returns that exceeded the Benchmark by more than 10% per year, including two that have achieved annualized returns that exceeded the Benchmark by more than 20% per year.

PORTFOLIO HOLDINGS

As of March 31, 2024, we owned 36 investments. The top 10 holdings represented 68.2% of the Fund's net assets, all of which have been held for a minimum of seven 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 20.8% annually based on weighted average assets since our initial investment, exceeding the Benchmark by an average of 12.2% 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.

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Table IX.
Top 10 holdings as of March 31, 2024

	Year Acquired	Market Cap When Acquired (billions)	Quarter End Market Cap (billions)	Quarter End Investment Value (millions)	Percent of Net Assets
MSCI Inc.	2007	$1.8	$44.3	$835.1	10.4%
Arch Capital Group Ltd.	2002	0.4	34.6	834.3	10.4
Gartner, Inc.	2007	2.3	37.2	710.2	8.8
FactSet Research Systems Inc.	2006	2.5	17.3	545.3	6.8
Kinsale Capital Group, Inc.	2016	0.6	12.2	524.7	6.5
CoStar Group, Inc.	2004	0.7	39.5	496.5	6.2
Vail Resorts, Inc.	1997	0.2	8.5	445.7	5.5
Primerica, Inc.	2010	1.0	8.8	379.4	4.7
Choice Hotels International, Inc.	1996	0.4	6.3	379.1	4.7
ANSYS, Inc.	2009	2.3	30.2	343.7	4.3

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

Respectfully,

Ronald Baron
CEO and Portfolio Manager

Neal Rosenberg
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: The Adviser believes that there is more potential for capital appreciation in smaller companies, but there also may be more risk. Specific risks associated with investing in smaller companies include that the securities may be thinly traded, and they may be 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 Growth Fund by anyone in any jurisdiction where it would be unlawful under the laws of that jurisdiction to make such offer or solicitation.

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. **Enterprise value (EV)** is a measure of a company's total value, often used as a more comprehensive alternative to equity market capitalization. EV includes in its calculation the market capitalization of a company but also short-term and long-term debt as well as any cash on the company's balance sheet. **Free cash flow (FCF)** represents the cash that a company generates after accounting for cash outflows to support operations and maintain its capital assets.

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