QUARTERLY LETTER | JUNE 30, 2026

Baron Opportunity Strategy

Michael Lippert
Portfolio Manager

ALL CAP

Dear Investor,

Performance

During the second quarter, Baron Opportunity Strategy (the Strategy) surged 26.72%, outperforming the Russell 3000 Growth Index (the Benchmark), which gained 17.05%, and the S&P 500 Index, which rose 15.20%. For the first six months of 2026, the Strategy ascended 15.25%, beating the Benchmark, which appreciated 5.88%, and the S&P 500 Index, which advanced 10.21%.

Annualized performance (%) for period ended June 30, 2026† (figures in USD)[1]

	Strategy (net)[2]	Strategy (gross)[2]	Russell 3000 Growth Index[2]	S&P 500 Index[2]
QTD[3]	26.72	27.03	17.05	15.20
YTD[3]	15.25	15.81	5.88	10.21
1 Year	26.77	28.01	18.24	22.32
3 Years	28.27	29.53	22.26	20.61
5 Years	10.91	12.00	13.17	13.41
10 Years	22.40	23.60	18.13	15.51
15 Years	16.51	17.65	16.06	14.36
Since Inception (6/30/2000)[4]	11.67	12.95	8.16	8.50

Calendar year performance (%) (figures in USD)

	Strategy (net)[2]	Strategy (gross)[2]	Russell 3000 Growth Index[2]	S&P 500 Index[2]
2021	12.20	13.30	25.85	28.71
2022	(42.68)	(42.12)	(28.97)	(18.11)
2023	50.23	51.71	41.21	26.29
2024	40.20	41.57	32.46	25.02
2025	19.39	20.56	18.15	17.88

Review and Outlook

Market Backdrop

After selling off in March amid the U.S.-Iran conflict and disruptions in the Strait of Hormuz, U.S. equity markets rallied to record highs during the second quarter, with most gains concentrated in April and May. The AI secular growth narrative was the principal driver of returns, overshadowing uncertainty surrounding a potential resolution to the U.S.-Iran conflict, shifting Federal Reserve rate expectations, and depressed consumer sentiment stemming from persistent inflation, high living costs, and elevated borrowing rates.

Market leadership was quite narrow during the quarter, with a dozen securities accounting for most of the S&P 500 Index's gains. The 12 largest contributors were either Information Technology (IT) stocks or members of the Magnificent Seven complex—companies perceived as direct beneficiaries of AI capital

* **Effective September 30, 2025, Baron High Growth Strategy has changed its name to Baron Opportunity Strategy.**

For Strategy reporting purposes, the Firm is defined as all accounts managed by Baron Capital Management, Inc. ("BCM") and BAMCO, Inc. ("BAMCO"), registered investment advisers wholly owned by Baron Capital Group, Inc. As of 6/30/2026, total Firm assets under management were approximately $69.7 billion. The Strategy is a time-weighted, total return composite of all accounts managed on a fully discretionary basis using our standard investment process. Accounts in the Strategy are market-value weighted and are included on the first day of the month following one full month under management. Gross performance figures do not reflect the deduction of investment advisory fees and any other expenses incurred in the management of the investment advisory account. Actual client returns will be reduced by the advisory fees and any other expenses incurred in the management of the investment advisory account. A full description of investment advisory fees is supplied in the Firm's Form ADV Part 2A. Valuations and returns are computed and stated in U.S. dollars. Performance figures reflect the reinvestment of dividends and other earnings. Baron Opportunity Strategy is currently composed of one mutual fund and one UCIT managed by BAMCO; and separately managed accounts and one wrap account program managed by BCM. * Includes client and proprietary accounts. BAMCO and BCM claim compliance with the Global Investment Performance Standards (GIPS®). To receive a complete list and description of the Firm's strategies or a GIPS Report please contact us at 1-800-99-BARON. GIPS® is a registered trademark owned by CFA Institute. CFA Institute does not endorse, promote or warrant the accuracy or quality of the report.*

The performance data quoted represents past performance. Past performance is no guarantee of future results. Current performance may be lower or higher than the performance data quoted.

spending and electrification, and what the market has come to call "AI winners." **Micron Technology, Inc.**, one of the three largest memory chip manufacturers globally and a stock we added to the Strategy during the quarter, appreciated 242%, vaulting it into the trillion-dollar market-cap club alongside fellow semiconductor giants **NVIDIA Corporation** and **Broadcom Inc.** This market concentration is arguably defensible on fundamentals: the S&P 500 posted one of its strongest quarterly earnings results in five years, driven largely by the Magnificent Seven, which reported blended earnings growth of more than 60%, well above the low double-digit growth recorded by the rest of the Index.

Sector performance reflected the quarter's one-sided market dynamic. IT outpaced all other sectors by a wide margin, accounting for roughly two-thirds of the S&P 500's gains and advancing 31.8% for the quarter. The next closest sector, Industrials, rose 14.9%. IT strength was concentrated in AI infrastructure builders within the semiconductors and semiconductor materials & equipment sub-industries.

From a style perspective, following three consecutive months of underperformance to begin 2026, growth stocks staged a meaningful comeback in the second quarter, fueled by the AI-driven rally in April and May. Growth outperformed value by a wide margin across all market cap segments. Despite this recent strength, growth has yet to achieve parity with value on a year-to-date basis.

Performance

We manage the Strategy with an unwavering focus on powerful secular growth trends that disrupt industries and create sustained, profitable growth opportunities—not short-term geopolitical disruptions or sentiment swings, which whipsawed markets during the first half of this year. Transformative secular trends—such as AI; space exploration and technology; autonomous transportation; robotics; digital commerce, media, and finance; advanced therapeutics and minimally invasive surgery—will shape the future and drive long-term investment returns.

As market sentiment shifted, the second quarter proved to be a favorable backdrop for the Strategy with AI winners leading the way and a rotation back into growth stocks. The Strategy climbed over 26%, outperforming both the Benchmark and the broader-market S&P 500 Index.

The Strategy's outperformance for the quarter was driven entirely by stock picking—across a diversified set of innovation and secular growth leaders. Our standout contributor to absolute and relative performance during the period was launch and satellite broadband groundbreaker **Space Exploration Technologies Corp.** (SpaceX), which conducted a successful initial public offering during the quarter. SpaceX remains the largest holding in the Strategy and the largest overweight position versus the Benchmark. In the IT sector, our systems software investments contributed to absolute and relative performance, with **Datadog, Inc.** (cloud-based observability and security platform leader), **Snowflake Inc.** (cloud data platform pioneer), and **Rubrik, Inc.** (cloud data security and cyber resilience leader) leading the way. Several of our AI-infrastructure and semiconductor investments also contributed to absolute and relative performance, including **Taiwan Semiconductor Manufacturing Company Limited** (the world's advanced semiconductor manufacturing champion), **indie Semiconductor, Inc.** (automotive semiconductor innovator), **Coherent Corp.** (optical technology leader), **ASML Holding N.V.** (the world's dominant provider of advanced lithography semiconductor manufacturing equipment), Micron, and Broadcom. The Strategy also benefited from not owning Microsoft Corporation, which was among the Magnificent Seven and software laggards during the period.

The Strategy's Health Care investments performed well, with standout absolute and relative performance from **Hinge Health, Inc.** (digital musculoskeletal and physical therapy platform trailblazer), as well as a positive contribution from **argenx SE** (immunology and antibody-based medicine innovator).

Within Industrials, our AI data center power investments also performed well, with exceptional gains and relative performance from **Forgent Power Solutions, Inc.**, a leading manufacturer of custom electrical distribution equipment serving data centers, the power grid, and energy-intensive industrial applications.

While the Strategy's semiconductor investments added value overall, our non-ownership of Advanced Micro Devices, Inc. was the largest drag on relative performance. Among Strategy holdings, the top relative performance laggards included **Spotify Technology S.A.** (global streaming music and content leader), **GDS Holdings Limited** (leading China data center operator), and **Guidewire Software, Inc.** (leading cloud-based property and casualty insurance vendor).

AI Update

The AI Buildout Continues to Exceed Expectations

The largest companies in the world continued to expand their AI infrastructure investment plans during the second quarter. Over the past three months, **Alphabet Inc.** raised its 2026 capital expenditure guidance to \$180–\$190 billion, Microsoft lifted its outlook by \$25 billion to roughly \$190 billion, **Meta Platforms, Inc.** raised its range to \$125–\$145 billion, and **Amazon.com, Inc.** reaffirmed approximately \$200 billion. Together, these hyperscalers are on track to spend more than \$700 billion this year, up 74% compared to last year. On top of this, emerging "neoclouds"—specialized AI cloud providers—have continued to grow rapidly, now representing approximately 5% of the overall cloud market, and are investing aggressively as well.

To put this spending in perspective, consider the cost of a single gigawatt of AI compute capacity—the industry's new unit of account. Estimates from NVIDIA, OpenAI, and Wall Street models range from \$35 billion to \$60 billion per gigawatt all-in across current chip generations, and NVIDIA's CEO recently suggested next-generation facilities could approach \$80–\$100 billion as memory and component shortages inflate costs. Roughly 60–70% of each gigawatt is compute and networking—semiconductors, switches, and optical interconnects—with the balance going to powered shell, electrical distribution, cooling, and backup generation. Each successive chip generation delivers a multiple more intelligence per dollar and per watt, which is why the industry keeps investing despite rising unit costs.

Is all this capacity justified? Two forms of evidence suggest demand is tangible and still running ahead of supply. First, the revenue ramps at the AI labs continue to defy precedent: Anthropic's annualized revenue run rate reached $47 billion in May, up from $30 billion in early April and $9 billion at year-end 2025, while OpenAI's enterprise business continues to scale toward parity with its consumer franchise. Second, contracted backlogs at the cloud providers—legally committed future revenue, not forecasts—are growing at extraordinary rates. In the first quarter, Google Cloud's backlog nearly doubled sequentially to over $460 billion, Amazon Web Services' backlog grew 93% year-over-year to $364 billion, excluding a new $100 billion OpenAI commitment announced after the period, and the combined backlog across Alphabet, Amazon, and Microsoft now exceeds $1.4 trillion. Every major cloud provider described itself as compute-constrained—unable to build capacity fast enough to serve contracted demand.

The Agentic and Inference Inflection

The composition of AI compute demand is also shifting. Inference—the everyday use of trained models by businesses and consumers—now accounts for roughly two-thirds of all AI compute, up from approximately one-third in 2023, and for the first time the inference market is growing faster than training. The driver is agentic AI: systems that plan, use tools, verify their own work, and complete multi-step tasks with limited human supervision. Coding remains the flagship use case, and AI agents now write a meaningful share of the world's new software. But agents are also proliferating across customer service, research, financial analysis, and back-office workflows. Because an agent may make 10 or 20 model calls to complete a single task, agentic workloads consume 5 to 30 times more tokens—the basic unit of AI output—than a simple chatbot query. The result is explosive token demand. Alphabet, for example, disclosed that its AI models are now processing 3.2 quadrillion tokens per month, up more than 300 times from consumption rates two years ago, and Amazon's Bedrock service processed more tokens in the first quarter than in all prior periods combined.[5]

This inflection is also diversifying the compute landscape. Varied inference workloads—short chats, long-context coding sessions, always-on monitoring agents—favor different silicon architectures, which is why custom application-specific integrated circuits, inference-optimized chips, and disaggregated designs are proliferating alongside NVIDIA's platforms. Meanwhile, competition between frontier labs and rapidly improving open-source models has driven the price per token down by 60% to 80% on flagship models over the past 18 months—and falling prices have accelerated usage rather than dampened spending. Whatever the quarter-to-quarter noise, token demand is heading up and to the right.

Measuring the Returns on AI

We have long argued that the most important question in AI is not the race to artificial general intelligence but the utility and value it delivers. The evidence of measurable economic return keeps building. In a recent report, Morgan Stanley analyzed more than 17,000 earnings call and conference transcripts and found that 40% of companies its analysts identify as "AI Adopters"[6] cited at least one quantifiable benefit from AI in the second quarter—nearly double the 21% reported a year ago—while roughly 25% of the broader S&P 500 Index did, up from 14%. The benefits are concentrated in financial impact and productivity: HP is targeting $1 billion in annual run-rate savings from AI-enabled automation, Verizon has captured over $200 million in energy savings by deploying AI across its network, and Equifax has embedded $75 million of AI-driven cost reductions directly into its guidance. Morgan Stanley's companion survey of 935 corporate executives found companies realized approximately an 11% net productivity improvement over the past 12 months.[7] Against the firm's estimate that full AI adoption could ultimately generate approximately $920 billion of annual economic value for S&P 500 companies—roughly 28% of expected 2026 pretax earnings, largely through operating expense efficiency and productivity gains—we believe the returns on AI are early but increasingly demonstrable, and that companies with pricing power and proprietary data should capture a disproportionate share.

The AI IPO Era Begins

The public markets opened their doors to the AI era in dramatic fashion during the quarter. On June 12, SpaceX—the Strategy's largest holding—completed the largest IPO in history, raising $75 billion at a $1.77 trillion valuation before rallying to a market capitalization above $2 trillion. The company's prospectus cited a combined addressable market of $28.5 trillion spanning launch, broadband, and AI, and disclosed that the majority of its first quarter capital expenditures were directed at AI. Anthropic, days after closing a $65 billion funding round at a $965 billion valuation, confidentially filed for an IPO on June 1; OpenAI followed shortly thereafter, with both expected to list within the next several quarters. The common thread across these landmark offerings: extraordinary revenue growth, enormous addressable markets, and a need for public capital to fund the AI buildout. We expect these listings to broaden the investable AI universe and replace speculation with evidence—which suits our research-driven approach just fine.

Below is a partial list of the secular megatrends we focus on:

- AI
- Semiconductors
- Cloud computing
- Software-as-a-service
- Digital media/entertainment
- Targeted digital advertising
- E-commerce
- Targeted medicine/therapies
- Minimally invasive surgical procedures
- Cybersecurity
- Electric vehicles/autonomous driving
- Electronic payments
- Robotics
- Space technology

We continue to run a high-conviction portfolio with an emphasis on the secular trends cited and listed. Among others, during the second quarter we initiated or added to the following positions:

- Semiconductors and cloud compute services: **Micron Technology, Inc.** and **Cerebras Systems Inc.**
- Power generation and energy infrastructure/aerospace: **Fervo Energy Company** and **DPC Holdings Limited**
- Digital content, commerce, and AI services: **Alphabet Inc.**, **Spotify Technology S.A.**, and **Shopify Inc.**
- Health care real estate and digital services: **Welltower Inc.**
- Cybersecurity and systems software: **Rubrik, Inc.**, **CrowdStrike Holdings, Inc.**, and **Cloudflare, Inc.**

Top Contributors and Detractors

Top contributors to performance for the quarter

	Contribution to Return (%)
Space Exploration Technologies Corp.	7.85
NVIDIA Corporation	2.44
Broadcom Inc.	1.92
Datadog, Inc.	1.64
Amazon.com, Inc.	1.30

Space Exploration Technologies Corp. was the Strategy's top contributor in the quarter, following its record-breaking initial public offering—the largest in history. We first invested in SpaceX in 2020, when it was still viewed primarily as a daring launch pioneer. That year, the company completed just 26 Falcon 9 launches, with a maximum of 7 re-flights on any single booster. Starlink was in its earliest days, with fewer than 1,000 satellites in orbit and only a few thousand beta testers. The Dragon crew capsule had flown two astronauts on its historic demonstration mission, and there was no Starlink Mobile, no Starship flights, and no AI business to speak of. Fast forward to 2026, and SpaceX has become an unparalleled technology and infrastructure powerhouse. In 2025 alone, it executed over 170 launches, including 165 Falcon 9 missions, with individual boosters now achieving up to 35 re-flights. The Starlink constellation has grown to more than 10,000 satellites—representing over 75% of all active maneuverable satellites in orbit—and now serves more than 12 million broadband subscribers globally. The company launched Starlink Mobile with over 650 dedicated satellites and has partnered with telecommunications operators to connect billions of people and devices worldwide. Dragon has now safely transported nearly 80 people to space.

Beyond space infrastructure, SpaceX has made a bold and strategic move into AI. Through its integration of xAI, SpaceX deployed the world's largest coherent compute cluster faster than any competitor and has monetized a significant portion of that capacity through agreements with partners including Anthropic and Alphabet, generating over $26 billion in annualized revenue. The acquisition of AI coding pioneer Cursor further strengthens its AI competitive position by expanding talent, proprietary training data, and presence in the large and rapidly growing agentic coding market. Looking ahead, Starship's increasing operational maturity will unlock dramatic growth in launch cadence and payload capacity, enabling the rapid deployment of next-generation V3 Starlink satellites to expand coverage and throughput. More importantly, Starship will power the deployment of orbital AI compute infrastructure at gigawatt scale—taking advantage of continuous solar power, efficient radiative cooling, and freedom from terrestrial constraints. Combined with vertical integration into chip design and manufacturing through the Terafab initiative, we believe SpaceX is positioned for unmatched cost leadership in AI, one of the largest addressable markets in history. Additional long-term opportunities include building a lunar economy through cargo transport and in-space manufacturing, point-to-point Earth travel, space tourism, and laying the foundation for eventual Mars colonization. SpaceX remains the Strategy's largest holding and largest overweight position versus the Benchmark, and we believe it is one of the most extraordinary companies ever built.

Shares of **NVIDIA Corporation** contributed to performance during the quarter. NVIDIA is a semiconductor and systems company specializing in compute and networking platforms for accelerated computing. The company's dominant position in AI infrastructure—spanning AI accelerator chips (graphics processing units, or GPUs), systems, software, and high-performance networking solutions—continues to underpin strong fundamentals and robust financial results. The company delivered another strong earnings report and raised its forward outlook meaningfully above prior expectations. Demand for NVIDIA's products remains exceptional—as CEO Jensen Huang remarked on the first quarter earnings call, demand has gone parabolic. In the company's April quarter, data center revenue grew 92% year-over-year to $75.2 billion, with total revenue of $81.6 billion, up 85%; for its July quarter, the company guided for total revenue to grow at least another $9.5 billion sequentially. The company's offerings retain strong differentiation as the AI compute paradigm evolves from model training to inference to the emerging agentic era, in which AI agents autonomously plan and execute complex tasks. This was particularly evident in the company's disclosure that it is poised to become one of the world's largest CPU (central processing unit) providers—a product category that has historically been outside its core focus. The company's next-generation platform, Vera Rubin, remains on track for second-half delivery despite earlier rumors of delays. We retain conviction in NVIDIA as a core long-term holding, viewing its full-stack platform, software moat, and visibility into sustained hyperscaler capital spending as durable advantages supporting a multiyear growth trajectory.

Broadcom Inc. is a global designer and supplier of semiconductor and infrastructure software solutions at the core of modern computing and networking. The company is a leader in high-performance digital and mixed-signal technologies spanning networking, connectivity, storage, and custom silicon accelerators. Through its acquisition of VMware, Broadcom also owns critical software layers used to virtualize and manage large-scale compute environments. Shares contributed to performance during the quarter as the company's key customer, Alphabet (Google), signaled higher and more durable capital expenditures over the coming years than previously anticipated. Broadcom's multi-year agreement with Google, extending through 2031, validates its entrenched position within the Google silicon ecosystem and establishes it as a primary beneficiary of Google's AI-related infrastructure spending. Beyond Google, several other customers showed incrementally positive signs in their custom silicon adoption journeys. Anthropic, following its recent commercial success, is planning for significantly larger compute requirements, which should translate into a growing custom silicon base over the next several years. OpenAI, working with Broadcom, taped out its first inference chip—codenamed Jalapeno—in a record nine months, and appears set to build 10 gigawatts of AI infrastructure using custom silicon this decade. Meta continues to hold a constructive view on AI investment and the associated infrastructure buildout. Additionally, Apple signed a multi-year agreement with Broadcom spanning multiple product lines—encompassing not only conventional radio frequency components and next-generation wireless connectivity technologies, but also custom silicon across multiple generations of Apple products. As CEO Hock Tan has noted, custom silicon accelerators are on pace to match GPU units in volume by next year, and Broadcom, as the category leader, is well positioned to be the primary beneficiary of this transition. We maintain our conviction in Broadcom. We believe the company is uniquely positioned to capture a dominant share of the custom silicon market and faces no credible terminal risk to its custom silicon franchise over the foreseeable future. We continue to hold the stock and believe Broadcom is on a path to becoming one of the largest technology companies in the world.

Top detractors from performance for the quarter

	Contribution to Return (%)
GDS Holdings Limited	(0.32)
Guidewire Software, Inc.	(0.26)
CoStar Group, Inc.	(0.17)
Spotify Technology S.A.	(0.17)
ServiceNow, Inc.	(0.16)

Despite solid operating results, shares of **GDS Holdings Limited** declined during the second quarter. Weighing on sentiment were management's communications regarding full-year guidance, a material step-up in capital expenditures over the next several years, and a slight delay in the expected timing of the company's growth inflection. GDS develops and leases data center space to leading global technology companies—including Alibaba, Tencent, ByteDance, Microsoft, Google, and Oracle—under long-term arrangements. We recently hosted CEO and founder William Huang and CFO Daniel Newman at our offices and continue to believe the best days for the company lie ahead, supported by powerful secular tailwinds: the early stages of cloud adoption in Asia, continued data growth, rising AI demand, and global power constraints that are sustaining pricing power. Rather than focusing on the precise quarterly timing of the growth inflection, we remain focused on the long term and see increasing evidence of a building AI wave in China through significant bookings growth. We also see material and underappreciated value in GDS's stake in its spun-out international subsidiary, DayOne, which we expect to list publicly at a significantly higher valuation than its most recent private capital raise, supported by continued bookings and cash flow momentum and highly visible take-or-pay revenue ramp timelines.

Shares of property and casualty insurance software vendor **Guidewire Software, Inc.** declined during the quarter as a small number of deals slipped from its fiscal third quarter into its fiscal fourth quarter, coinciding with broader fears of AI-driven disruption that pressured valuation multiples across the application software sub-industry. We believe the deal slippage was purely a timing issue and that all affected deals have since closed. Guidewire's InsuranceSuite platform serves as the core system of record for insurance carriers—the single source of truth for policies written, claims processed, premiums collected, and payments made. The complexity of insurance policies, their highly regulated nature, and the fact that they exist exclusively within Guidewire rather than in physical form makes this system of record particularly critical and therefore highly valuable. We believe the core system opportunity alone represents nearly $20 billion of annual recurring revenue, or approximately 20 times Guidewire's current scale. We also believe AI will be a significant tailwind for the company, meaningfully expanding this opportunity by enabling automation and intelligence layered on top of the core system of record. We are already seeing Guidewire bring new AI-enabled capabilities to market and sign customers, and we expect adoption to accelerate over the coming year. Finally, we expect Guidewire to benefit from the same internal productivity enhancements that AI is delivering across industries, helping the company support faster growth at lower cost and, ultimately, better profitability.

We elected to exit our position in real estate information and marketing services provider **CoStar Group, Inc.** after a successful multi-decade investment. Performance has been challenged over the past several years as the company has invested aggressively to build out its Homes.com residential real estate marketing platform. Revenue traction for Homes.com has been slow to materialize, and we are concerned that recent shifts in market structure will make it incrementally more difficult for CoStar to grow a residential business commensurate with its level of investment. Shares have also been pressured by the sector-wide AI disruption concerns weighing on the broader software and information services ecosystem.

Portfolio Structure

We invest in secular growth and innovative businesses across all market capitalizations, with the bulk of the portfolio landing in the large-cap zone. As of the end of the second quarter, the largest market cap holding in the Strategy was $4.8 trillion and the smallest was $500 million. The median market cap of the Strategy was $90.4 billion, and the weighted-average market cap was $1.7 trillion.

To end the quarter, the Strategy had $2.2 billion of assets under management. We had investments in 46 unique companies. The Strategy's top 10 positions accounted for 63.1% of net assets.

Top 10 holdings

	Percent of Net Assets (%)
Space Exploration Technologies Corp.	19.0
NVIDIA Corporation	11.5
Broadcom Inc.	5.8
Amazon.com, Inc.	5.3
Tesla, Inc.	4.7
Alphabet Inc.	4.5
Eli Lilly and Company	3.4
Spotify Technology S.A.	3.4
Meta Platforms, Inc.	2.8
Taiwan Semiconductor Manufacturing Company Limited	2.8

Recent Activity

Top net purchases for the quarter

	Net Amount Purchased ($M)
Micron Technology, Inc.	35.8
Fervo Energy Company	18.5
Alphabet Inc.	16.7
Cerebras Systems Inc.	11.2
Welltower Inc.	10.7

Micron Technology, Inc. is an industry leader in memory and storage solutions that are increasingly central to the advancement of AI. The core investment thesis begins with a structural bottleneck: AI inference applications are architecturally constrained by memory bandwidth, and the scaling laws that have historically governed compute performance have expanded to encompass memory capacity as well—meaning material gains in AI performance can be captured by deploying larger, faster memory. This has created what we believe is a durable, multi-year demand tailwind that will continue to outstrip supply, supported by the incremental returns on memory investment remaining exceptionally high. Near-term supply constraints and the resulting price increases are constructive for Micron's financials, but what interests us more is the structural evolution of the business itself. Memory players, and Micron specifically, are entering into long-term strategic supply agreements with customers that lock in visible demand and meaningfully dampen the cyclicality that has historically characterized the industry. Meanwhile, each successive generation of memory technology moves Micron further from commodity territory: while high-bandwidth memory co-packaged with AI accelerators has already added stickiness and differentiation, the next generation of solutions will embed controller logic within the memory itself—an architectural shift that makes memory a far more proprietary and defensible product than in prior cycles. We believe Micron is a fundamentally different business than it was even a few years ago: one positioned not only to grow earnings significantly, but also to command a higher valuation multiple as the market comes to appreciate the durability and strategic importance of its competitive position.

During the quarter, we initiated a position in **Fervo Energy Company**, a pioneer in enhanced geothermal systems (EGS). While geothermal energy has many desirable characteristics—including baseload power with minimal operating costs and no emissions—the industry has historically been constrained by limited geographic applicability, requiring proximity to areas of volcanic activity, and by the challenges and costs of resource exploration, including the risk of unproductive "dry wells." EGS addresses these limitations by leveraging techniques from innovations in oil and gas drilling—horizontal drilling and hydraulic fracturing—to unlock additional resources and drive down development costs. Fervo is by far the market leader in this segment of the geothermal industry, having developed proprietary drilling techniques and plant designs over the eight years since its founding, and the company is on the cusp of bringing its first commercial plant online later this year. Fervo already has 658 megawatts under power purchase agreements with both utilities and hyperscalers and believes it has access to at least 42 gigawatts of available resource across hundreds of thousands of land leases it acquired well before competitors were paying attention to the EGS opportunity. The company also has a clear path to drive costs per well down to $3,000 per kilowatt over time—having already reduced costs by thousands of dollars per kilowatt from its initial wells—which would put its levelized cost of electricity production at or below competing alternatives. Given the highly desirable attributes of geothermal power, we believe that as Fervo proves out its first commercial plant, it will see accelerating contracting and deployment activity over the next decade, creating meaningful upside potential for investors.

During the quarter, we added to our position in **Alphabet Inc.**, the parent company of Google—the world's largest search and digital advertising franchise—as well as YouTube and Google Cloud Platform, one of the three leading hyperscale cloud infrastructure businesses globally. Alphabet also owns DeepMind, one of the premier AI research organizations in the world. Alphabet generates approximately $174 billion in trailing operating cash flow, a funding advantage that becomes increasingly important as the AI race enters a phase of high capital intensity. Our conviction deepened this quarter as several developments reinforced our view that Alphabet is one of the most strategically advantaged businesses in the AI era. At Google I/O 2026, management disclosed that Alphabet now processes 3.2 quadrillion tokens monthly—seven times increase year over year—with the Gemini app surpassing 900 million monthly active users, more than doubling in a year. AI is proving additive rather than cannibalistic to core search. Search revenue grew 19% year-over-year in the first quarter, and CEO Sundar Pichai noted that AI features are driving more search usage, not less. Google Cloud accelerated to 63% year-over-year revenue growth—a five-year high—with operating margins expanding to 33% and the cloud backlog nearly doubling sequentially to approximately $462 billion, anchored in part by a landmark multi-year tensor processing unit (TPU)[8] commitment from Anthropic, affirming that Alphabet's custom silicon is winning the confidence of the most demanding AI infrastructure customers. What distinguishes Alphabet from every other competitor in the AI landscape is the breadth of its vertical integration: custom eighth-generation TPUs optimized for both training and inference, frontier Gemini models, the Antigravity enterprise agentic coding platform, and consumer distribution across 13 products with more than 1 billion monthly active users each—including five with more than 3 billion. No pure-play AI lab or cloud competitor replicates this stack, and we believe the cost and distribution advantages it confers widen over time. We see a long runway for growth as Google Cloud accelerates, Gemini monetization deepens across search and subscriptions, and this full-stack advantage compounds—a combination we believe bodes well for long-term investors.

During the quarter, we participated in the IPO of **Cerebras Systems Inc.**, a semiconductor design and compute services company building AI accelerators around one of the most differentiated architectures in the market. We developed a strong familiarity with the Cerebras management team during its final two years as a private company, including multiple meetings and a visit to its headquarters just months before the offering. As AI inference has become the dominant and fastest-growing component of AI compute demand, a critical sub-segment has emerged: fast inference, or the speed at which an AI model generates responses, measured in tokens per second. As developers build applications and agents that chain multiple models together, demand for tokens per second is growing by orders of magnitude—and Cerebras has designed a specialized chip exceptionally well suited to serve this need. Unlike most semiconductor startups, Cerebras holds a genuine performance advantage for fast inference workloads, and customer engagements speak louder than benchmarks: a multi-year agreement with OpenAI for 750 megawatts of inference capacity valued at more than $20 billion—with an option to add another 1.25 gigawatts—reflects real confidence in both the fast inference market and Cerebras' differentiated value proposition, and a new partnership to bring fast inference to Amazon Web Services further validates the opportunity. The company is currently pursuing both direct AI systems sales and cloud services to drive adoption. We expect the AI infrastructure buildout to sustain its momentum, with a large and growing share of workloads requiring fast inference, and as the category leader, Cerebras is well positioned to benefit while continuing to innovate to hold its lead. We are clear-eyed about the risks—the company must execute on the OpenAI deployments, develop architectural solutions as workloads evolve and potentially demand significantly more memory, and depend on customers continuing to pay a premium for faster inference—but on balance, we find the setup compelling and initiated a position during the quarter.

During the quarter, we added to our position in **Welltower Inc.**, which owns and operates senior housing communities in the U.S. and internationally. While Welltower screens as a real estate business, we view it as the intersection of hardware, real estate, and software—its proprietary operating platform and data analytics capabilities. Rolling out this software layer creates meaningful structural upside to both operating margins and occupancy through enhanced asset management, proprietary analytics, and new initiatives such as amenity-based pricing. We recently hosted the entire Welltower executive team in our offices and came away more encouraged by the multi-dimensional growth opportunity ahead—particularly the early monetization of its proprietary data analytics platform and the continued rollout of the Welltower Business System. The company has deliberately recruited senior talent from both technology and real estate to drive this transformation, and we believe CEO Shankh Mitra and his management team are disciplined capital allocators focused on driving accretive value per share. The broader industry backdrop is among the most favorable in years: demand is supported by powerful demographic tailwinds, with the 80-plus population growing at a 4% to 5% compound annual rate over the next five years, well above the 2% rate that followed the global financial crisis,[9] while supply remains structurally constrained by declining construction starts, unattractive developer economics, and a five-plus-year entitlement and build timeline. The constrained financing environment for senior housing should continue to generate an active external growth pipeline on an attractive basis. Putting it all together, we see a path for earnings to more than double over the next five years, creating attractive long-term return prospects for the Strategy.

Top net sales for the quarter

	Net Amount Sold ($M)
CoStar Group, Inc.	15.3
ServiceNow, Inc.	10.5
Datadog, Inc.	7.9
Zscaler, Inc.	6.8
Via Transportation, Inc.	5.5

We exited our position in **ServiceNow, Inc.**, which was a successful long-term investment for the Strategy, and redeployed the capital into the software and digital services names discussed in the Review and Outlook section above.

We trimmed our **Datadog, Inc.** position to a lower portfolio weight after the stock rose 121% in the second quarter. We retain conviction in Datadog's long-term growth opportunity, durable competitive advantages, and innovative and disciplined management team.

We sold out of our long-term investment in **CoStar Group, Inc.**, as described above.

I remain confident in and committed to the Strategy's approach: durable growth based on powerful, long-term, innovation-driven secular growth trends. We continue to believe that noncyclical, durable, and resilient growth should be part of investors' portfolios and that our strategy will deliver solid long-term returns for our investors.

Sincerely,

Michael A. Lippert
Head of Technology Research
Portfolio Manager

[†] Historical performance was impacted by gains from IPOs. There is no guarantee that these results can be repeated or that the level of IPO participation will be the same in the future.
[1] With the exception of the performance tables located on page 1, most of the data is based on a representative account. Such data may vary for each client in the Strategy due to asset size, market conditions, client guidelines, and diversity of portfolio holdings. The representative account is the account in the Strategy that we believe most closely reflects the current portfolio management style for the Strategy. Representative account data is supplemental information.
[2] The **Russell 3000® Growth Index** measures the performance of the broad growth segment of the U.S. equity universe. 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 Strategy includes reinvestment of dividends, net of withholding taxes, while the Russell 3000® 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 Strategy performance. Investors cannot invest directly in an index.
[3] Not annualized.
[4] The Strategy has a different inception date than its representative account, which is 2/29/2000.
[5] Sources: Google, "I/O 2026: Welcome to the Agentic Gemini Era," 2026, and Amazon, "Amazon.com Announces First Quarter Results," 2026.
[6] Source: Morgan Stanley Research, as reported in Investing.com, "Corporate America Offers Stronger Proof AI Is Boosting Profits, Productivity: MS," 2026.
[7] Source: Morgan Stanley, "AI's Impact Accelerates," 2026.
[8] As noted above, Broadcom partners with Alphabet in developing and manufacturing TPU AI processors.
[9] Source: Welltower, "Q1 2026 Business Update," 2026.

The performance of accounts in the Strategy may be materially different at any given time. Differences that may affect investment performance include cash flows, inception dates, and historical prices. Positions may not be the same or may be traded at different times. In addition, accounts in the Strategy may be pursuing similar investment strategies, but may have different investment restrictions.

Risks: Securities issued by small and medium-sized companies may be thinly traded and may be more difficult to sell during market downturns. Companies propelled by innovation, including technology advances and new business models, may present the risk of rapid change and product obsolescence, and their success may be difficult to predict for the long term. Even though the Strategy is diversified, it may establish significant positions where the Adviser has the greatest conviction. This could increase volatility of the Strategy's returns. Single issuer risk is the possibility that factors specific to an issuer to which the Strategy is exposed will affect the market prices of the issuer's securities and therefore the value of the Strategy.

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

The discussion of market trends is not intended as advice to any person regarding the advisability of investing in any particular security. The views expressed in this document reflect those of the respective writer. Some of our comments are based on management expectations and are considered "forward-looking statements." Actual future results, however, may prove to be different from our expectations. Our views are a reflection of our best judgment at the time 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 Opportunity Strategy by anyone in any jurisdiction where it would be unlawful under the laws of that jurisdiction to make such offer or solicitation.

Operating margin is calculated as operating income divided by sales, multiplied by 100. Operating Income is calculated as sales minus cost of goods sold minus SG&A (selling, general & administrative) expenses minus other operating expenses.

Baron Capital Management, Inc. ("BCM") and BAMCO, Inc. ("BAMCO") are registered investment advisers with the U.S. Securities and Exchange Commission (SEC) and wholly owned by Baron Capital Group, Inc.

QLTR_BIO_STR_FP_GLBL_062026

Figures in USD

GIPS® is a registered trademark owned by CFA Institute. CFA Institute does not endorse, promote, or warrant the accuracy or quality of the report.

The performance data quoted represents past performance. Past performance is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Returns could be reduced, or losses incurred, due to currency fluctuations.

Risks: Past performance is not a guide to future performance. The value of investments and income from them may go down as well as up. Your capital is at risk.

This is a marketing communication. This is not a contractually binding document. Please refer to the GIPS report, strategy letter, and fact sheet and do not base any final investment decision on this communication alone.

UK and EU Disclosures

Baron Capital Management UK Limited is an appointed representative of Vittoria & Partners LLP (FRN 709710) which is authorised and regulated by the Financial Conduct Authority. The appointed representative status enables Baron Capital Management UK Limited to conduct arranging business in the UK. This material has been approved by Vittoria & Partners LLP for distribution to professional investors in the UK.

Baron Capital has partnered with FundRock Distribution S.A., who will distribute Baron's products and services in the EEA. FundRock Distribution S.A. is a public limited company incorporated under the laws of the Grand Duchy of Luxembourg, registered office at Airport Center Building 5 Heienhaff, L-1736 Senningerberg, Luxembourg and registered with the Luxembourg trade and companies register under number B253257.

For any queries or questions coming from EU/EEA potential investors, please contact Arnaud Gérard, CFA, Managing Director FundRock Distribution at Arnaud.GERARD@Fundrock.com or call +352691992088.

For information on Baron Capital or any queries or questions coming from non-EU/EEA potential investors, please contact Stephen Millar, Head of Europe Business Development at smillar@baroncapitalgroup.com or call +44(0)7769-958822.

FOR FINANCIAL PROFESSIONAL USE ONLY. NOT FOR USE WITH THE PUBLIC.

Latin America

Argentina

These securities will not be authorized for public offer in Argentina and may not be offered or sold in circumstances which constitute a public offering of securities under Argentine law no. 26,831, as amended.

Brazil

The securities have not been and will not be issued nor publicly placed, distributed, offered, or negotiated in the Brazilian capital markets and, as a result, have not been and will not be registered with the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários – CVM). Any public offering or distribution, as defined under Brazilian laws and regulations, of the securities in Brazil is not legal without prior registration under Law No. 6,385/1976, and CVM Instruction No. 400/2003 (each as amended). Documents relating to the offering of the securities, as well as information contained therein, may not be supplied to the public in Brazil (as the offering of the securities is not a public offering of securities in Brazil), nor be used in connection with any offer for subscription or sale of the securities to the public in Brazil. Therefore, each of the purchasers has represented, warranted, and agreed that it has not offered or sold, and will not offer or sell, the securities in Brazil, except in circumstances which do not constitute a public offering, placement, distribution or negotiation of securities in the Brazilian capital markets regulated by Brazilian legislation. Persons wishing to offer or acquire the securities within Brazil should consult with their own counsel as to the applicability of registration requirements or any exemption therefrom.

Chile

Pursuant to the Securities Market Law of Chile and Norma de Carácter General (Rule) No. 336, dated June 27, 2012, issued by the Chilean Commission for the Financial Market (Comisión para el Mercado Financiero or "CMF") ("Rule 336"), the securities may be privately offered to certain accredited investors identified as such by Rule 336 (which in turn are further described in Rule No. 216, dated June 12, 2008, of the CMF).

Rule 336 requires the following information to be provided to prospective investors in Chile:

1. Date of commencement of the offer: As of June 30, 2026. The offer of the securities is subject to Rule (Norma de Carácter General) No. 336, dated June 27, 2012, issued by the CMF;
2. The offered securities and this offering document are not registered with the Securities Registry (Registro de Valores) of the CMF, nor with the Foreign Securities Registry (Registro de Valores Extranjeros) of the CMF and as such are not subject to the oversight of the CMF;
3. Since the offered securities are not registered in Chile, there is no obligation by the issuer to make publicly available information about the offered shares in Chile; and
4. The offered securities shall not be subject to a public offering in Chile unless registered with the relevant Securities Registry of the CMF.

Peru

The units have not been and will not be registered in Peru under Legislative Decree No. 861, Ley del Mercado de Valores (the "Securities Market Law") and its complementary regulations, and are being offered to institutional investors only (as defined in article 8 of the Securities Market Law and the Reglamento del Mercado de Inversionistas Institucionales, approved by SMV Resolution No. 021-2013-SMV-01), pursuant to a private placement, under the terms of article 5 of the Securities Market Law. The units have not been registered in the Securities Market Public Registry (Registro Público del Mercado de Valores) maintained by, and the offering of such securities in Peru is not subject to the supervision of, the Superintendencia del Mercado de Valores.

By subscribing for an interest in the Fund, each subscriber in Peru will be deemed to represent to the Fund that it is an "institutional investor" under the applicable abovementioned Peruvian regulation. Any transfers of the units shall be subject to the limitations contained in the Securities Market Law and regulations issued thereunder.

As the units are not registered in Peru, there is no obligation to deliver public information in this jurisdiction regarding the securities hereby offered. These securities cannot be offered through a public offering in Peru as long as they are not registered in the Securities Market Public Registry. Certain regulatory information obligations may apply before the Superintendencia de Banca, Seguros y AFP depending on the regulatory qualification of the investor subscribing the shares or units of the Fund.

The persons and/or entities that do not qualify as "institutional investors" under the abovementioned Peruvian regulations, shall abstain from participating in the private placement of the units of the Fund.

<u>Mexico</u>

Mexican Residents

The Strategy has not and will not be registered with the National Registry of Securities maintained by the National Banking and Securities Commission and may not be publicly offered in Mexico. However, the Strategy may be offered to institutional or qualified investors pursuant to the private offering exceptions provided in the Securities Market Law.

<u>Middle East</u>

Dubai & UAE

The offering document that this material pertains to is not subject to any form of regulation or approval by the Dubai Financial Services Authority ("DFSA"). The DFSA has no responsibility for reviewing or verifying any offering memorandum or other document in connection with this product. Accordingly, the DFSA has not approved this product or its offering memorandum or any other associated documents nor taken any steps to verify the information set out in this offering memorandum.

This product shall only be offered upon request to institutions and individuals who qualify as a "Professional Client" as defined in the DFSA Conduct of Business Rulebook and shall not be offered, sold or publicly promoted or advertised in the Dubai International Financial Centre (the "DIFC") other than in compliance with the applicable DIFC laws and DFSA rules and regulations.

Baron Capital Management (DIFC) Limited, located at Level 8, Gate Village Building 10, Dubai International Financial Centre (DIFC), Dubai, UAE is registered in the Dubai International Financial Centre (DIFC) and is regulated by the Dubai Financial Services Authority (DFSA) with firm reference number F011236.

This Memorandum relates to a strategy which is not subject to any form of regulation or approval by the Dubai Financial Services Authority ("DFSA").

Unless otherwise permitted, this Memorandum may be made available only to persons of a type specified in the DFSA's Rules (i.e. "Professional Clients") and, therefore, must not be delivered to, or relied on by a Retail Client, or any other type of person. This Memorandum is for the exclusive use of the persons to whom it is addressed and in connection with the subject matter contained therein.

The DFSA has no responsibility for reviewing or verifying any Memorandum or other documents in connection with this Strategy. Accordingly, the DFSA has not approved this Memorandum or any other associated documents nor taken any steps to verify the information set out in this Memorandum and has no responsibility for it.

The Shares to which this Memorandum relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on the Shares.

If you do not understand the contents of this document, you should consult an authorized financial adviser.

This Memorandum is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose. The interests in the international shares may not be offered or sold directly or indirectly to the public in the Dubai International Financial Centre.

The Company represents and agrees that Securities mentioned in this document have not been, and are not being, publicly offered, sold, promoted, or advertised in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering and sale of securities. Further, this document does not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and is not intended to be a public offer.

The Strategy and the Securities have not been approved or licensed by, or filed with, the Central Bank of the United Arab Emirates nor the Securities and Commodities Authority, the Dubai Financial Services Authority, or any other relevant licensing authorities or governmental agencies in the United Arab Emirates. This document is strictly private and confidential and has not been reviewed, deposited, or registered with any licensing authority or governmental agency in the United Arab Emirates. This document must not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose.

Kuwait

This document is not for general circulation to the public in Kuwait. The shares have not been licensed for offering in Kuwait by the Kuwait Capital Markets Authority or any other relevant Kuwaiti government agency. The offering of the shares in Kuwait on the basis of a private placement or public offering is, therefore, restricted in accordance with Law No. 7 of 2010 (the Kuwait Capital Markets Law) (as amended) and the bylaws thereto (as amended). No private or public offering of the shares is being made in Kuwait, and no agreement relating to the sale of the shares will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the shares in Kuwait.

Oman

Baron Capital Management, Inc. neither has a registered business presence nor a representative office in Oman and does not undertake banking business or provide financial services in Oman. Consequently, Baron Capital Management, Inc. is not regulated by either the Central Bank of Oman or Oman's Capital Market Authority. No authorization, license, or approval has been received by the [OFI] from the Capital Market Authority of Oman, or any other regulatory authority in Oman, to provide such advice or service within Oman. Baron Capital Management, Inc. does not solicit business in Oman and Baron Capital Management, Inc. does not market, offer, sell, or distribute any financial or investment products or services in Oman and no subscription to any securities, products, or financial services may or will be consummated within Oman. The recipient of this advice represents that he/she is a sophisticated investor (as described in Article 139 of the Executive Regulations of the Capital Market Law) and has such experience in business and financial matters that he/ she is capable of evaluating the merits and risks of investments. The investor acknowledges that an investment in securities is speculative and involves a high degree of risk.

Qatar

The materials contained herein are not intended to constitute an offer or provision of investment management, investment and advisory services, or other financial services under the laws of Qatar. The services have not been and will not be authorised by the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, or the Qatar Central Bank, in accordance with their regulations or any other regulations in Qatar.

Saudi Arabia

This document may not be distributed in the Kingdom except to such persons as are permitted under the Investment Funds Regulations issued by the Capital Market Authority. The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities.

<u>APAC</u>

Australia

Baron Capital Management, Inc. is exempt from the requirement to hold an Australian financial services licence under the Corporations Act 2001 (Cth) (the Act) in respect of the financial services it is providing. Baron Capital Management, Inc. is regulated by the SEC under US laws, which differ from Australian law. This material may only be provided to and our services may only be provided to wholesale clients (as defined in section 761G of the Act). This material contains general information only, does not contain any personal advice and does not take into account any prospective investors' objectives, financial situation or needs.

China

This Circular may not be circulated or distributed in the PRC and the funds may not be offered or sold directly or indirectly, to any resident of the PRC or offered or sold to any person for reoffering or resale directly or indirectly to any resident of the PRC except pursuant to applicable laws and regulations of the PRC.

Hong Kong

These materials are supplied to you either on a private basis or in response to your specific request, and not in response to any public marketing by Baron Capital. This information is confidential and is meant only for the intended recipient and may not be distributed to any third party. No Baron Capital managed investment fund has been registered with the Securities and Futures Commission in Hong Kong and accordingly no services provided by Baron Capital or any Baron Capital managed investment fund or investment connected therewith may be marketed, promoted, solicited, offered, transferred, sold or delivered, whether directly or indirectly, to any individual or legal entity in Hong Kong other than in accordance with Hong Kong law.

For Residents of Hong Kong

WARNING: The contents of this prospectus have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.

The contents of this prospectus have not been reviewed or approved by any regulatory authority in Hong Kong. This prospectus does not constitute an offer or invitation to the public in Hong Kong to acquire interests. Accordingly, no person may issue or have in its possession for the purposes of issue, this prospectus or any advertisement, invitation or document relating to the interests, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong except where:

1. The interests are only intended to be offered to "professional investors" (as such term is defined in the Securities and Futures Ordinance of Hong Kong (Cap. 571 of the Laws of Hong Kong), as amended (the "SFO") and the subsidiary legislation made thereunder);
2. In circumstances which do not result in this prospectus being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong (Cap. 32 of the Laws of Hong Kong), as amended (the "CO"); or
3. In circumstances which do not constitute an offer or an invitation to the public for the purposes of the SFO or the CO.

The offer of the interests is personal to the person to whom this prospectus has been delivered and a subscription for interests will only be accepted from such person. No person to whom a copy of this prospectus is issued may copy, issue or distribute this prospectus in Hong Kong, or make or give a copy of this prospectus to any other person.

Japan

The material is not for the purpose of solicitation but for informational purposes only.

Korea

This presentation material shall not be construed as marketing or soliciting Investment from a Korean resident. Products and services described herein may not be offered, sold, and delivered, directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea, except pursuant to the applicable laws and regulations of Korea, including the Financial Investment Services and Capital Markets Act and its subordinate decrees and regulations (collectively "FSCMA"), and the Foreign Exchange Transaction Law of Korea and its subordinate decrees and regulations (collectively, "FETL"). This presentation material is provided only to professional investors prescribed by Article 301, Paragraph 2 of the Enforcement Decree of the FSCMA for informational purposes.

Singapore

This material has not been registered as a prospectus with the Monetary Authority of Singapore. The offer or intended offer of shares of the Fund does not relate to a collective investment scheme which is authorised under Section 286 of the Securities and Futures Act, Chapter 289 of Singapore, as amended or modified (the "**SFA**"), or recognised under Section 287 of the SFA. Accordingly, this material and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of shares of the Fund may not be circulated or distributed, nor may shares of the Fund be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than to an institutional investor under Section 304 or 304A of the SFA.

Canada

This document has been prepared solely for information purposes and is not an offering memorandum nor any other kind of an offer to buy or sell or a solicitation of an offer to buy or sell any security, instrument, or investment product, or to participate in any particular trading strategy. It is not intended and should not be taken as any form of advertising, recommendation, investment advice, or invitation to trade. This information is confidential and for the use of the intended recipients only. The distribution of this document in Canada is restricted to recipients who are qualified "permitted clients" for purposes of NI 31-103 and "accredited investors" for purposes of NI 45-106. It may not be reproduced, redistributed, or copied in whole or in part for any purpose without prior written consent.

Israel

Baron Capital Management, Inc. is not licensed under Israel's Regulation of Investment Advising, Investment Marketing and Portfolio Management Law, 5755-1995 (the "Advice Law") and does not carry insurance pursuant to the Advice Law.

This document is only intended for those categories of Israeli residents who are qualified clients listed on the First Addendum to the Advice Law.

This document may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been sent. Nothing in this document should be considered investment advice or investment marketing as defined in the Advice Law, nor a substitute for investment marketing, which takes into consideration the special data and needs of each person. This document does not constitute an offer to sell, or solicitation of an offer to buy, any securities, nor does it constitute an offer to sell to, or solicitation of an offer to buy from, any person or persons in any state or other jurisdiction in which such offer or solicitation would be unlawful, or in which the person making such offer or solicitation is not qualified to do so, or to a person or persons to whom it is unlawful to make such offer or solicitation.

Switzerland

Baron Capital Management, Inc. is only allowed to market its Strategies in Switzerland to professional investors within the meaning of Article 4 paragraphs 3 and 4 of the Swiss Financial Services Act ("FINSA"). The information provided for in this document has been provided by Baron Capital Management, Inc. on this basis and is for use by such professional clients only and no other persons. The Strategies may not be publicly offered, directly or indirectly, in Switzerland to investors who are not professional investors, and this document may not be distributed or otherwise made publicly available in Switzerland or from Switzerland.

The information in this document is general in nature and does not take into account specific individual circumstances. It therefore does not constitute an offer or solicitation to invest in the Strategies described herein. Before acting on any information, an investor should consider the appropriateness of it and any relevant product having regard to their objectives, financial situation, and needs. In particular, the investor should seek independent financial advice and read any relevant Product Disclosure Statement or other offer document prior to investing in the Strategies.