QUARTERLY LETTER | JUNE 30, 2026

Baron Focused Growth Fund®

Retail Shares: BFGFX | Institutional Shares: BFGIX | R6 Shares: BFGUX

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Dear Baron Focused Growth Fund® Shareholder,

Performance

Baron Focused Growth Fund® (the Fund) rebounded in the second quarter from a disappointing start to the year with the Fund gaining 13.26% (Institutional Shares) compared with a gain of 24.02% for the Russell 2500 Growth Index (the Benchmark). The quarterly relative underperformance was due to continued concerns about the effects of AI on many businesses held in the portfolio as well as continued momentum in the AI infrastructure and data center buildout companies to which the Fund is underexposed. The continued software declines were somewhat offset by the IPO of **Space Exploration Technologies Corp.** (SpaceX) at a significantly higher valuation than we had been carrying it when it was a private entity.

While we are disappointed with the year-to-date relative underperformance, we continue to see opportunities throughout the portfolio. Our portfolio companies continue to do quite well and are generating strong revenue growth with more recurring earnings and cash flow as businesses increase the number of clients and subscribers to their platforms while increasing their spending as they introduce new products and services. This is giving these businesses enhanced pricing power and leading to stronger margins and cash flow for additional investments in their businesses. We believe these investments should lead to further growth with excess cash being returned to shareholders through share buybacks and dividends.

Our portfolio companies continue to maintain strong balance sheets with many operating with financial leverage below their targeted levels, giving them additional liquidity to lever up and buy back more stock should they desire.

Annualized performance (%) for periods ended June 30, 2026†

	Fund Retail Shares[1,2,3]	Fund Institutional Shares[1,2,3,4]	Russell 2500 Growth Index[1]	Russell 3000 Index[1]
QTD[5]	13.17	13.26	24.02	15.44
YTD[5]	7.45	7.61	19.66	10.88
1 Year	26.37	26.72	32.94	22.82
3 Year	20.77	21.09	16.40	20.36
5 Year	12.46	12.76	4.98	12.31
10 Year	21.48	21.79	12.56	15.06
15 Year	16.22	16.52	11.45	13.89
Since Conversion (6/30/2008)	14.42	14.69	10.96	12.18
Since Inception (5/31/1996)	14.03	14.19	8.81	10.23

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Valuations for many stocks in the portfolio continue to trade at historically low valuations, and we believe there is a disconnect between where these businesses trade today and what they can become over time. As a result, this past quarter we began to see companies allocating capital towards accelerated share repurchases such as at **Verisk Analytics, Inc.** and **Birkenstock Holding plc** with others accelerating their public market quarterly share repurchases such as at **Las Vegas Sands Corporation**, **Gartner, Inc.**, **FactSet Research Systems Inc.**, **Morningstar, Inc.**, and **Arch Capital Group Ltd**. When we see these purchases, it gives us further confidence in our investment theses for these

Performance listed in the above table is net of annual operating expenses. Annual expense ratio for the Retail Shares and Institutional Shares as of April 30, 2026, was 1.31% and 1.05%, respectively. The performance data quoted represents past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original cost. The Adviser may waive or reimburse certain Fund expenses pursuant to a contract expiring on August 29, 2036, unless renewed for another 11-year term and the Fund's transfer agency expenses may be reduced by expense offsets from an unaffiliated transfer agent, without which performance would have been lower. Current performance may be lower or higher than the performance data quoted. For performance information current to the most recent month end, visit BaronCapitalGroup.com or call 1-800-99-BARON.

growth businesses and reinforces our belief that valuations remain attractive. As a result, during the quarter we increased our positions in many of these stocks. We are continuing to make sure the portfolio remains focused while being cognizant that positions are appropriately sized for risk in this concentrated Fund.

We believe this combination of strong and more recurring revenue growth with well-positioned balance sheets and attractive valuations offers multiple avenues for potential returns for investors. As a result, we continue to view the portfolio as compelling, with a favorable risk/reward profile.

Further, there continues to be a ton of capital remaining on the sidelines waiting to be invested as private equity firms continue to raise new funds. We believe as rates continue to move lower over the next 12 to 18 months, public to private transactions and strategic acquisitions should accelerate, which should further support valuations and our investments. We continue to believe these businesses have strong competitive advantages with underpenetrated growth opportunities ahead of them and robust balance sheets to finance their growth.

In the near term, we continue to believe that inflation will remain at or below the historic 3% to 4% annualized level, and interest rates will approximate the rate of inflation. This has been the case since World War II. We believe that is a favorable environment for businesses that are growing significantly faster than the rate of inflation and the 5% nominal annualized growth rate of our economy last year according to the Bureau of Economic Analysis.

The Fund has continued to outperform its Benchmark over the prior 3-, 5-, and 10- year periods, generating significant excess returns with much less than market risk. Over the past 3-, 5-, and 10- year periods, the Fund has generated 469, 778, and 923 bps of annualized outperformance, respectively, with volatility measured as the beta of the Fund that is approximately 43%, 21%, and 8%, respectively, less than the market. As a result, the Fund's Sharpe ratio, a measure of risk-adjusted return, was significantly higher than the Benchmark for each of these periods.

We believe these strong returns with downside management of risk are due to our research-based investment process as well as the uncorrelated nature of the portfolio with high active share, which shows the portfolio differentiation versus its benchmark. Our research enables us to identify and understand businesses' competitive advantages, differentiation, long-term growth prospects, and exceptional people; and it allows us to invest in these businesses for the long term at what we believe are attractive valuations relative to what these businesses can become. As a result, as shown in the following table, the Fund has outperformed its Benchmark for all relevant periods longer than one year, including since inception (May 31, 1996). **Since its inception as a private partnership 30 years ago, the Fund has increased 14.19% annually. This compares to an 8.81% annualized return for the Benchmark and a 10.23% annualized return for the Russell 3000 Index that measures the performance of the broad U.S. equity market.**

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Total returns by investment type for the quarter

	Percent of Net Assets (%)	Total Return (%)	Contribution to Return (%)
Disruptive Growth	**45.9**	**32.40**	**10.70**
Space Exploration Technologies Corp.	28.6	64.49	9.87
Tesla, Inc.	6.4	12.93	0.89
Samsara Inc.	2.0	1.71	0.08
Neuralink Corp.	0.1	0.00	0.00
Moderna, Inc.	0.0	(0.12)	0.00
Shopify Inc.	4.6	(3.08)	0.02
Spotify Technology S.A.	4.2	(5.09)	(0.03)
Figma, Inc.	0.0	(21.60)	(0.14)
Russell 2500 Growth Index		**24.02**	
Real/Irreplaceable Assets	**19.5**	**9.78**	**2.23**
Hyatt Hotels Corporation	4.3	34.92	1.46
Red Rock Resorts, Inc.	3.1	22.44	0.67
Toll Brothers, Inc.	0.8	20.95	0.15
Airbnb, Inc.	2.9	13.23	0.35
Vail Resorts, Inc.	3.2	7.86	0.26
Choice Hotels International, Inc.	2.6	6.71	0.25
Wynn Resorts, Limited	0.0	(4.65)	(0.02)
Las Vegas Sands Corporation	2.3	(13.78)	(0.28)
CoStar Group, Inc.	0.2	(31.21)	(0.60)
Financials	**17.7**	**8.67**	**1.90**
Interactive Brokers Group, Inc.	3.9	29.69	1.12
Jefferies Financial Group Inc.	1.9	21.67	0.38
FactSet Research Systems Inc.	2.9	6.45	0.29
MSCI Inc.	5.0	4.10	0.34
Arch Capital Group Ltd.	2.0	1.06	0.00
Morningstar, Inc.	2.1	(9.12)	(0.22)
Core Growth	**20.8**	**(6.69)**	**(1.31)**
Live Nation Entertainment, Inc.	0.9	20.06	0.19
Birkenstock Holding plc	3.5	19.56	0.75
On Holding AG	2.9	4.17	0.28
Verisk Analytics, Inc.	3.1	(5.33)	(0.24)
IDEXX Laboratories, Inc.	2.9	(6.22)	(0.18)
Guidewire Software, Inc.	3.0	(17.95)	(0.60)
Gartner, Inc.	2.7	(18.46)	(0.53)
Procore Technologies, Inc.	0.0	(26.50)	(0.06)
FIGS, Inc.	1.9	(30.75)	(0.91)
Cash and Cash Equivalents	**(3.8)**	**—**	**0.02**
Fees	**—**	**(0.28)**	**(0.30)**
Total	**100.0***	**13.25****	**13.25****

* *Individual weights may not sum to displayed total due to rounding.*
** *Represents the blended return of all share classes of the Fund.*
Sources: Baron Capital, FTSE Russell, and FactSet PA.

Aside from strong gains due to the IPO of SpaceX at a valuation significantly higher than previous marks, performance in the second quarter was hurt by continued concerns about the introduction of AI into the economy and those businesses that could be impacted most by the new competition. These included our subscription-based software and platform investments such as **Guidewire Software, Inc.**, Gartner, and **CoStar Group, Inc.** However, while the increased competition hurt the valuation of these stocks in the quarter, it has not impacted financials, and these companies continue to generate strong revenue growth and margins in line with company and investor expectations.

These losses were offset by gains seen in our exposure to consumer-focused investments as worries about the escalation of the war in Iran dissipated along with concerns about inflation, interest rates, and consumer spending. These included companies such as **Hyatt Hotels Corporation**, **Red Rock Resorts, Inc.**, and Birkenstock. These businesses continue to do quite well, generating strong revenue growth with significant pricing power as the high-end consumer remains robust and continues to spend despite macro uncertainty.

Property and casualty (P&C) insurance software vendor Guidewire declined 18.0% in the second quarter and detracted 60 bps from performance. However, the company continues to do quite well - after a multi-year transition period, the company's cloud transition is substantially complete, and insurers are upgrading to the cloud at an accelerated rate. We believe that cloud will be the sole path forward, with annual recurring revenue (ARR) benefiting from new customer wins and migrations of the existing customer base to the company's Insurance Suite Cloud. We also expect the company to shift R&D resources to product development from infrastructure investment, which should help drive cross-sales into its sticky installed base and potentially accelerate ARR over time. We are encouraged by Guidewire's subscription gross margin expansion, which improved by 340 bps in its most recently reported quarter. We believe Guidewire will be the critical software vendor for the global P&C insurance industry, capturing 30% to 50% of its $15 billion to $30 billion total addressable market and generating margins above 40%.

Global research and advisory firm Gartner declined 18.5% in the second quarter and hurt performance by 53 bps. The declines were due to multiple compression driven by rising AI fears as the fundamental business continues to be quite strong. The market has come to view AI as an existential risk for a growing number of industries. While there is no evidence of any fundamental impact to these industries, the market is "shooting first and asking questions later," leading to significant stock declines. We believe that AI is an under-appreciated tailwind for Gartner. Every company in the world is struggling to assess the risks and opportunities from AI on their business, and Gartner represents the most comprehensive and cost-effective service to help businesses assess potential outcomes. AI will enable Gartner to convert its proprietary data into actionable insights while also making it easier for customers to consume this data. The company is continuing to generate attractive growth, with contract value accelerating in its most recently reported quarter after decelerating for the four prior quarters. We expect continued acceleration in contract value for the remainder of 2026 and beyond as Gartner makes operational enhancements to its product and sales force, leverages improved public sector spending, and benefits from easier comparisons. Management has accelerated share repurchases as the stock's valuation has declined and we expect this rate of repurchases to be sustained on a go forward basis.

Shares of global hotelier Hyatt appreciated 34.9% and helped performance by 146 bps in the second quarter as revenue per available room (RevPAR) accelerated and management indicated they are seeing increased demand from franchisees for its brands. In addition, the company still expects to grow units between 6% and 7% this year with management indicating they expect it to be in the upper end of that range. We believe this growth combined with mid-single-digit RevPAR growth and slight margin improvement should lead to low double-digit EBITDA growth this year. This should generate strong free cash flow, which the company can use for further share buybacks and reinvestment back into the business. The company still has a strong investment grade balance sheet with 90% of the business coming through fees that should grow to 95% in 2028 as they sell further owned assets and continue to grow their managed and franchised business. Hyatt continues to trade at a discount to peers despite a similar growth and mix of business. We believe this discount should narrow over time as investors see the continued growth and resilience of its business model.

Shares of Las Vegas Locals casino operator Red Rock Resorts increased 22.4% in the second quarter and helped performance by 67 bps as construction disruption dissipated and investors looked ahead to the benefits of the company's recent investments in its resorts. This should result in increased earnings and cash flow and allow the company to continue to invest in its properties while returning capital to shareholders. The company's balance sheet remains strong with increased liquidity for further capital investment and shareholder returns. We believe the stock remains attractive compared to what we believe the business can become in time.

Shares of global footwear retailer Birkenstock increased 19.6% in the second quarter and helped performance by 75 bps as sales continued to be quite strong and grew at a mid-teens rate despite concerns about the war in the Middle East, a depreciating dollar, and tariffs. Full-price sell-through remains above 90%, closed-toe shoes continue to increase penetration rates and same store sales are growing at double-digit rates. Despite the worsening macro since the first quarter, management confirmed all fiscal year 2026 targets and continue to execute on its key growth objectives of expanding retail stores, growing in Asia Pacific and increasing closed-toe penetration. The stock continues to trade at a significant discount to peers with the stock trading at just 15 times next year's earnings per share despite growing earnings 30% next year and 20% after that. We continue to believe the market is being too harsh on the company, even as they continue to deliver solid double-digit growth that is well balanced across regions and channels.

Top contributors to performance for the quarter

	Year Acquired	Market Cap When Acquired ($B)	Quarter End Market Cap ($B)	Total Return (%)	Contribution to Return (%)
Space Exploration Technologies Corp.	2017	21.6	2,248.4	64.49	9.87
Hyatt Hotels Corporation	2009	4.2	18.3	34.92	1.46
Interactive Brokers Group, Inc.	2023	33.8	148.0	29.69	1.12
Tesla, Inc.	2014	31.2	1,579.7	12.93	0.89
Birkenstock Holding plc	2023	7.6	7.9	19.56	0.75

Space Exploration Technologies Corp. develops and launches advanced rockets, satellites, and spacecraft, with the long-term goal of making humanity multi-planetary. Shares rose as the company successfully completed the largest initial public offering in history, raising more than $85 billion. The proceeds are expected to accelerate growth across massive addressable markets, such as connectivity, launch, terrestrial and space infrastructure, and AI. Fundamental momentum was further reinforced by landmark compute hosting deals totaling tens of billions of dollars annually, including agreements with market leaders Anthropic and Google. SpaceX also announced its acquisition of Cursor, a premier enterprise AI-powered coding platform. Integrating Cursor’s technology, talent, and customer base provides another strategic stepping stone into the vast opportunities within AI applications and agentic systems. Lastly, the company conducted a successful test flight of the latest version of Starship, demonstrating meaningful advancements in rapid and full reusability. We believe these developments support sustained long-term revenue and profit growth well beyond current levels.

Shares of global hotelier **Hyatt Hotels Corporation** increased in the second quarter as RevPAR and management highlighted rising franchisee interest in its brands. As a result, the company is seeing strong growth in earnings and cash flow. Hyatt continues to have a robust balance sheet and is repurchasing shares, taking advantage of the stock’s significant valuation discount to peers despite having a similar mix of fee-based business. We believe Hyatt remains an attractive investment despite recent gains.

Global electronic brokerage firm **Interactive Brokers Group, Inc.** contributed to performance as the company continued to compound growth at a rare pace for its scale. Client accounts increased 34% year over year to 5.2 million, customer equity grew 40%, and margin loan balances rose 67%. Trading activity remained robust, with June daily average revenue trades increasing 53% year over year. Operating on a highly automated, low-cost platform, Interactive Brokers benefits from substantial operating leverage as volume grows, supporting industry-leading pretax margins. New opportunities, including an expanded prediction markets offering and the favorable modernization of day-trading margin rules, further extend the company's growth runway. We retain conviction in the stock, viewing Interactive Brokers as a structural share gainer with a large global addressable market that few competitors can serve at similarly low cost.

Top detractors from performance for the quarter

	Year Acquired	Market Cap When Acquired ($B)	Quarter End Market Cap ($B)	Total Return (%)	Contribution to Return (%)
FIGS, Inc.	2022	1.5	1.7	(30.75)	(0.91)
Guidewire Software, Inc.	2013	2.7	10.2	(17.95)	(0.60)
CoStar Group, Inc.	2014	6.2	11.6	(31.21)	(0.60)
Gartner, Inc.	2026	11.2	8.7	(18.46)	(0.53)
Las Vegas Sands Corporation	2023	34.7	30.6	(13.78)	(0.28)

FIGS, Inc. designs and sells scrubwear for health care professionals through a digitally native, direct-to-consumer strategy. The stock detracted from performance as shares slipped due largely to investor positioning. Even so, the company reported a very strong first quarter. Revenue came in at $159.9 million, up 28%, well ahead of the company's guidance for low-20% growth and above consensus expectations. The results were broad-based. U.S. revenue grew 24% to $131.6 million, with strength across core offerings, new product launches, and promotional periods, while international revenue accelerated 50% to $28.3 million, with double-digit growth in every region. Active customers surpassed 3 million for the first time, up 12% year over year, with both new and repeat customers contributing. We continue to have conviction in the strength of FIGS' business model and the company's ability to gain market share in the attractive global health care apparel industry.

Shares of P&C insurance software vendor **Guidewire Software, Inc.** declined after a handful of deals slipped from the fiscal third quarter into the fiscal fourth quarter. We believe this is purely a timing issue, with these deals having since closed in the current period. Guidewire’s InsuranceSuite platform serves as the core system of record for insurance carriers, functioning as the single source of truth for the policies an insurer writes, the claims it processes, the premiums it collects, and the payments it makes. We think the core-system opportunity alone represents nearly $20 billion of annual recurring revenue, or roughly 20 times Guidewire’s current size. In our view, AI will meaningfully expand this opportunity by enabling automation and intelligence on top of the core system of record. Guidewire is already bringing new AI-enabled capabilities to market and signing customers, and we expect adoption to accelerate over the coming year. Finally, we expect Guidewire to benefit from the same internal productivity enhancements AI is driving across enterprises, which should help it grow faster with lower costs and ultimately improve profitability.

CoStar Group, Inc. is the leading provider of information and marketing services to the commercial and residential real estate industries. Shares fell due to multiple compression driven by rising AI fears. The market has increasingly come to view AI as an existential risk for a growing number of industries, including software, business services, information services, and video games. While there is little evidence of any fundamental impact on these sectors, investors have largely adopted a “shoot first and ask questions later” approach, leading to significant stock price

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declines. We continue to own CoStar due to its enviable business model, differentiated data assets, and meaningful growth opportunities in providing enhanced real estate information, analytics, and marketplace offerings. The company also maintains a substantial cash balance, which we are hopeful will be used to aggressively repurchase shares at current depressed valuation levels.

Investment Strategy and Portfolio Structure

We remain steadfast in our commitment to long-term investing in competitively advantaged, growth businesses. We continue to run a balanced portfolio of uncorrelated businesses to help reduce portfolio risk while potentially generating strong excess returns over time. We believe this portfolio strategy is an effective way to mitigate risk and increase the purchasing power of your savings. While there will always be market volatility, we believe we can reduce that volatility via this portfolio that is approximately 80% as volatile as the market. This is due to the balanced nature of the portfolio as seen below with approximately 45% invested in high-growth disruptive investments that can potentially generate revenue growth of as much as 20% to 30%; 20% of the portfolio in real irreplaceable assets that trade at significant discounts to replacement cost and where they would sell to private equity or another strategic buyer; between 15% and 20% in financial data businesses that have recurring revenue and earnings given the embedded nature of their products in the workflow of their customers; and the balance in core double-digit revenue growing businesses that are more mature in their lifecycle and generate earnings growth while using excess cash for dividend increases, share buybacks, and additional investments in the business to accelerate growth further.

As of June 30, 2026, the Fund owned 28 investments. From a quality standpoint, the Fund's investments have generally stronger long-term sales growth; higher EBITDA, operating, and free-cash-flow margins; and stronger returns on invested capital than the Benchmark. We believe these metrics help limit risk in this focused portfolio and are why the portfolio has generated such strong risk-adjusted returns over time.

While focused, the Fund is diversified by sector. The Fund's weightings are significantly different than those of the Benchmark, which explains why the Fund has such high active share of almost 100%. It is nothing like the Benchmark! For example, the Fund is heavily weighted to Consumer Discretionary businesses with 33.9% of net assets in this sector versus 9.6% for the Benchmark. The Fund has no exposure to Energy, Materials, Consumer Staples, or Utilities. We believe companies in these sectors can be cyclical, linked to commodity prices, and/or have little if any competitive advantage. This compares to the Benchmark that had 8.6% aggregate exposure to these sectors. The Fund also has lower exposure to Health Care stocks at 3.0% versus 24.5% for the Benchmark. The performance of many stocks in the Health Care sector can change quickly due to exogenous events or binary outcomes (e.g., biotechnology and pharmaceuticals). As a result, we tend to limit our exposure to these stocks in this focused portfolio. In Health Care, we invest in competitively advantaged companies that are leaders in their industries such as **IDEXX Laboratories, Inc.**, the leading provider of diagnostics to the veterinary industry and who is benefiting from the increase in pets that people acquired during the COVID pandemic, especially as these pets age. The Fund is further diversified by investments in businesses at different stages of growth and development.

Disruptive Growth Companies

	Percent of Net Assets (%)	Year Acquired	Cumulative Return Since Date Acquired (%)
Space Exploration Technologies Corp.	28.6	2017	6,428.5
Tesla, Inc.	6.4	2014	2,419.5
Shopify Inc.	4.6	2022	228.0
Spotify Technology S.A.	4.2	2020	91.9
Samsara Inc.	2.0	2025	(4.9)
Neuralink Corp.	0.1	2025	0.0

Disruptive Growth firms accounted for 45.9% of the Fund's net assets. On current metrics, these businesses may appear expensive; however, we think they will continue to grow significantly and, if we are correct, they have the potential to generate exceptional returns over time. Examples of these companies include electric vehicle leader **Tesla, Inc.**, commercial satellite and launch company, **Space Exploration Technologies Corp**. and e-commerce platform provider **Shopify Inc.** These companies all have large underpenetrated addressable markets and are well financed with significant equity stakes by these founder-led companies, giving us further conviction in our investment.

Core Growth Investments

	Percent of Net Assets (%)	Year Acquired	Cumulative Return Since Date Acquired (%)
Birkenstock Holding plc	3.5	2023	7.0
Verisk Analytics, Inc.	3.1	2022	6.5
Guidewire Software, Inc.	3.0	2013	166.2
On Holding AG	2.9	2023	11.1
IDEXX Laboratories, Inc.	2.9	2022	19.3
Gartner, Inc.	2.7	2026	(18.3)
FIGS, Inc.	1.9	2022	11.7
Live Nation Entertainment, Inc.	0.9	2024	30.5

Core Growth investments, steady growers that continually invest in their businesses for growth and return excess cash-flow to shareholders, represented 20.8% of net assets. An example would be **FIGS, Inc.**, the largest provider of scrubs and other attire to health care workers. The company continues to add new customers and increase the level of spending per customer as they add new articles of clothing and open new stores both domestically and abroad. This has allowed them to grow its addressable market and improve client retention and cash flow. FIGS continues to invest its cash flow in its business to accelerate growth further, which we believe should generate strong returns over time.

Investments with Real/Irreplaceable Assets

	Percent of Net Assets (%)	Year Acquired	Cumulative Return Since Date Acquired (%)
Hyatt Hotels Corporation	4.3	2009	616.5
Vail Resorts, Inc.	3.2	2013	213.6
Red Rock Resorts, Inc.	3.1	2017	288.8
Airbnb, Inc.	2.9	2024	24.8
Choice Hotels International, Inc.	2.6	2010	461.9
Las Vegas Sands Corporation	2.3	2023	7.0
Toll Brothers, Inc.	0.8	2025	53.8
CoStar Group, Inc.	0.2	2014	32.3

Companies that own what we believe are **Real/Irreplaceable Assets** represent 19.5% of net assets. **Vail Resorts, Inc.**, owner of the premier ski resort portfolio in the world, upscale lodging brand **Hyatt Hotels Corporation**, and **Red Rock Resorts, Inc.**, the largest casino operator in the Las Vegas Locals casino gaming market, are examples of companies we believe possess meaningful brand equity and barriers to entry that equate to pricing power over time. All of these businesses trade at significant discounts to what we believe they would sell for to a private equity or strategic investor.

Financials Investments

	Percent of Net Assets (%)	Year Acquired	Cumulative Return Since Date Acquired (%)
MSCI Inc.	5.0	2021	(9.7)
Interactive Brokers Group, Inc.	3.9	2023	342.9
FactSet Research Systems Inc.	2.9	2008	446.7
Morningstar, Inc.	2.1	2026	(7.4)
Arch Capital Group Ltd.	2.0	2003	2,703.1
Jefferies Financial Group Inc.	1.9	2023	78.7

Financials investments accounted for 17.7% of the Fund's net assets. These businesses generate strong recurring earnings through subscriptions and premiums that generate highly predictable earnings and cash flow. These businesses use cash flows to continue to invest in new products and services, while returning capital to shareholders through share buybacks and dividends. These companies include **Arch Capital Group Ltd.**, **FactSet Research Systems Inc.**, and **MSCI Inc.**

Portfolio Holdings

As of June 30, 2026, the Fund's top 10 holdings represented 66.8% of net assets. Many of these investments have been successful and were purchased when they were much smaller businesses. We believe they continue to offer significant appreciation potential, although we cannot guarantee that will be the case.

The top five positions in the portfolio, **Space Exploration Technologies Corp.**, **Tesla, Inc.**, **MSCI Inc.**, **Shopify Inc.**, and **Hyatt Hotels Corporation**, all have, in our view, significant competitive advantages due to irreplaceable assets, strong brand awareness, technologically superior industry expertise, or exclusive data that is integral to their operations. We think these businesses cannot be easily duplicated and have large market opportunities to penetrate further, which enhances their potential for superior earnings growth and shareholder returns.

Top 10 holdings

	Year Acquired	Market Cap When Acquired ($B)	Quarter End Market Cap ($B)	Quarter End Investment Value ($M)	Percent of Net Assets (%)
Space Exploration Technologies Corp.	2017	21.6	2,248.4	1,584.3	28.6
Tesla, Inc.	2014	31.2	1,579.7	352.2	6.4
MSCI Inc.	2021	53.9	41.0	278.3	5.0
Shopify Inc.	2022	43.9	147.6	254.7	4.6
Hyatt Hotels Corporation	2009	4.2	18.3	238.2	4.3
Spotify Technology S.A.	2020	45.4	94.5	231.2	4.2
Interactive Brokers Group, Inc.	2023	33.8	148.0	214.2	3.9
Birkenstock Holding plc	2023	7.6	7.9	193.9	3.5
Vail Resorts, Inc.	2013	2.3	4.9	176.5	3.2
Red Rock Resorts, Inc.	2017	2.6	6.8	172.9	3.1

Thank you for investing in Baron Focused Growth Fund®. We continue to work hard to justify your confidence and trust in our stewardship of your family's hard-earned savings. We also continue to try to provide you with information we would like to have if our roles were reversed. This is so you can make an informed judgment about whether the Fund remains an appropriate investment for your family.

Sincerely,

Ronald Baron
Founder
CEO
Portfolio Manager

David Baron
Co-President
Portfolio Manager

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† Historical performance was impacted by gains from IPOs. There is no guarantee that these results can be repeated or the level of IPO participation will be the same in the future.

[1] Reflects the actual fees and expenses that were charged when the Fund was a partnership. The predecessor partnership charged a 15% performance fee through 2003 after reaching a certain performance benchmark. If the annual returns for the Fund did not reflect the performance fees for the years the predecessor partnership charged a performance fee, the returns would be higher. The Fund's shareholders will not be charged a performance fee. The performance is only for the periods before the Fund's registration statement was effective, which was December 31, 2008. During those periods, the predecessor partnership was not registered under the Investment Company Act of 1940 and was not subject to its requirements or the requirements of the Internal Revenue Code relating to registered investment companies, which, if it were, might have adversely affected its performance.

[2] The **Russell 2500™ Growth Index** measures the performance of small to medium-sized companies that are classified as growth. The **Russell 3000® Index** measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market, as of the most recent reconstitution. All rights in the FTSE Russell Index (the "Index") vest in the relevant LSE Group company which owns the Index. Russell® is a trademark of the relevant LSE Group company and is used by any other LSE Group company under license. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. The Fund includes reinvestment of dividends, net of withholding taxes, while the Russell 2500™ Growth and Russell 3000® Indexes include reinvestment of dividends before taxes. Reinvestment of dividends positively impacts the performance results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly in an index.

[3] The performance data does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares.

[4] 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.

[5] Not annualized.

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

Risks: The Fund is non-diversified which means, in addition to increased volatility of the Fund's returns, it will likely have a greater percentage of its assets in a single issuer or a small number of issuers, including in a particular industry than a diversified fund. Single issuer risk is the possibility that factors specific to an issuer to which the Fund is exposed will affect the market prices of the issuer's securities and therefore the net asset value of the Fund. Specific risks associated with investing in small and medium-sized companies include that the securities may be thinly traded and more difficult to sell during market downturns.

The Fund may not achieve its objectives. **Portfolio holdings are subject to change. Current and future 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 Focused Growth Fund® by anyone in any jurisdiction where it would be unlawful under the laws of that jurisdiction to make such offer or solicitation.

Active Share is a term used to describe the share of a portfolio's holdings that differ from that portfolio's benchmark index. It is calculated by comparing the weight of each holding in the Fund to that holding's weight in the benchmark. Positions with either a positive or negative weighting versus the benchmark have Active Share. An Active Share of 100% implies zero overlap with the benchmark. **Beta** explains common variation in stock returns due to different stock sensitivities to market or systematic risk that cannot be explained by the US Country factor. Positive exposure indicates high beta stock. Negative exposure indicates low beta stock. **EBITDA**, short for earnings before interest, taxes, depreciation, and amortization, is an alternate measure of profitability to net income. It's used to assess a company's profitability and financial performance. **Free Cash Flow (FCF)** represents the cash that a company generates after accounting for cash outflows to support operations and maintain its capital assets. **Free Cash Flow (FCF) Margin** is a measure of profitability for a business. FCF Margin takes the free cash flow that a business generates and compares it against the revenue they earned during the same period. **Operating Margin** is a company's profit for every dollar of sales after deducting production costs like wages and raw materials but before accounting for interest and taxes. **Return(s) on Invested Capital (ROIC)** is a calculation used to determine how well a company allocates its capital to profitable projects or investments. **Sharpe Ratio** is a risk-adjusted performance statistic that measures reward per unit of risk. The higher the Sharpe ratio, the better a fund's risk adjusted performance.

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).

Investment Products: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED