QUARTERLY LETTER | JUNE 30, 2026

Baron First Principles ETF™

Ticker: RONB

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Co-President Portfolio Manager	Founder CEO Portfolio Manager	Co-President Portfolio Manager

ALL CAP

Dear Baron First Principles ETF™ Shareholder,

Performance

Baron First Principles ETF™ (the Fund) rebounded in the second quarter from a disappointing start to the year with the Fund gaining 7.01% (NAV) compared with a gain of 17.05% for the Russell 3000 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 partly 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.

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

	ETF Market Price[1,2]	ETF NAV[1,2]	Russell 3000 Growth Index[1]	Russell 3000 Index[1]
QTD	6.69	7.01	17.05	15.44
YTD	(2.43)	(2.10)	5.88	10.88
Since Inception (12/12/2025)	(2.78)	(2.82)	6.29	10.95

Many stocks in the portfolio continue to trade at historically depressed levels, 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 **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 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

Performance listed in the above table is net of annual operating expenses. The total annual fund operating expense ratio as of April 30, 2026 was 1.00%. 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. Total returns assume the reinvestment of all distributions and the deduction of all fund expenses. 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.

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.

While it is only the Fund's second full quarter of performance, we believe the Fund should generate significant excess returns over time with much less than market risk. This is due to the balanced nature of the portfolio with approximately 50% invested in high-growth disruptive investments that can generate revenue growth of as much as 20% to 30%; nearly 14% 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; nearly 19% in financials businesses, many of which are financial data providers 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.

Total returns by investment type for the quarter

	Percent of Net Assets (%)	Total Return (%)	Contribution to Return (%)
Disruptive Growth	**50.6**	**22.57**	**4.82**
Space Exploration Technologies Corp.	32.2	62.23	3.30
Tesla, Inc.	12.4	13.01	1.87
Shopify Inc.	3.3	(3.74)	(0.21)
Spotify Technology S.A.	2.7	(5.32)	(0.14)
Russell 3000 Growth Index		**17.05**	
Real/Irreplaceable Assets	**13.8**	**15.63**	**2.57**
Hyatt Hotels Corporation	4.4	34.89	1.48
Red Rock Resorts, Inc.	3.0	22.44	0.66
Airbnb, Inc.	1.8	13.36	0.22
Vail Resorts, Inc.	2.2	7.72	0.20
Choice Hotels International, Inc.	2.3	6.74	0.30
CoStar Group, Inc.	—	(20.14)	(0.30)
Financials	**18.8**	**3.95**	**1.25**
Interactive Brokers Group, Inc.	3.5	29.92	0.94
FactSet Research Systems Inc.	2.4	6.53	0.29
MSCI Inc.	4.5	4.28	0.38
Arch Capital Group Ltd.	1.8	1.13	0.02
The Charles Schwab Corporation	3.8	(1.53)	(0.05)
Kinsale Capital Group, Inc.	0.8	(3.35)	(0.16)
Morningstar, Inc.	2.0	(8.12)	(0.16)
Core Growth	**16.7**	**(6.90)**	**(1.43)**
HEICO Corporation	2.3	22.24	0.49
Live Nation Entertainment, Inc.	1.5	20.06	0.34
Birkenstock Holding plc	2.5	19.79	0.48
On Holding AG	2.1	4.14	0.19
Verisk Analytics, Inc.	2.9	(5.12)	(0.29)
IDEXX Laboratories, Inc.	1.7	(6.43)	(0.14)
Guidewire Software, Inc.	1.5	(17.68)	(0.74)
Gartner, Inc.	—	(19.12)	(0.55)
FIGS, Inc.	2.3	(30.20)	(1.20)
Cash and Cash Equivalents	**0.1**	—	**0.04**
Fees	—	**(0.25)**	**(0.26)**
Total	**100.0***	**6.99****	**6.99****

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

** *Return calculations are transaction based and are calculated from the underlying security-level data; they may not correspond with published performance information.*

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

Portfolio holdings are subject to change. Current and future portfolio holdings are subject to risk. Past performances is not a guarantee of future results.

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.**, Verisk, and Morningstar. 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.

Data and analytics provider Verisk fell 5.1% in the second quarter, detracting 29 bps from performance. While the company reported better-than-expected first-quarter 2026 earnings, the stock was pressured by a broader factor-driven selloff across information services companies amid industry-wide concerns about AI, as well as a softer property and casualty insurance pricing backdrop. We maintain conviction in the company's competitive position, long-term growth prospects, margin expansion opportunities, and disciplined capital deployment.

Shares of Morningstar, a leading provider of independent investment research, data, and analytics, detracted 16 bps from performance amid continued investor concerns that generative AI could disrupt the company's data and research businesses. In particular, investors fear that the moat around PitchBook, a leading private markets database, could erode as large language models make it easier to gather private company information from across the internet. Those concerns compressed valuation multiples across information services companies and weighed on the stock, even as Morningstar's core franchises continued to post healthy organic growth. We continue to view Morningstar as a collection of high-quality, hard-to-replicate data businesses trading at a meaningful discount to both its historical valuation and its peers.

Property and casualty (P&C) insurance software vendor Guidewire declined 17.7% in the second quarter and detracted 74 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%.

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.

Shares of global hotelier Hyatt appreciated 34.9% and helped performance by 148 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 66 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 seller Birkenstock increased 19.8% in the second quarter and helped performance by 48 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.	2025	800.0	2,248.4	62.23	3.30
Tesla, Inc.	2025	1,526.4	1,579.7	13.01	1.87
Hyatt Hotels Corporation	2025	15.3	18.3	34.89	1.48
Interactive Brokers Group, Inc.	2025	109.1	148.0	29.92	0.94
Red Rock Resorts, Inc.	2025	6.5	6.8	22.44	0.66

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 **Tesla, Inc.,** which designs, manufactures, and sells fully electric vehicles (EVs), solar products, and energy storage solutions, while developing advanced real world AI technologies, contributed to our performance. The company has continued to beat quarterly expectations, with first quarter results delivering substantial outperformance across most key metrics. Beneath the headline numbers, Tesla's autonomy flywheel continued to build: FSD penetration is deepening, the active subscriber base is growing, and regulatory approvals in an increasing number of countries are validating the technology and broadening the addressable market. Moreover, the production of the Cybercab, Tesla's first purpose-built robotaxi platform, is scaling and should drive meaningful cost reduction as the service expands. Tesla also finalized the design of AI5, its next-generation inference chip, a development with particular relevance to the Optimus humanoid program. A memory boosted version of AI4 should further support robotaxi use case. Rising capital expenditure signals conviction in growth initiatives and strengthening Tesla's position as a leading vertically integrated physical AI company.

Shares of global hotelier **Hyatt Hotels Corporation** increased in the second quarter as RevPAR accelerated 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.

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.	2026	1.7	1.7	(30.20)	(1.20)
Guidewire Software, Inc.	2025	17.4	10.2	(17.68)	(0.74)
Gartner, Inc.	2025	16.9	8.5	(19.12)	(0.55)
CoStar Group, Inc.	2026	14.4	13.1	(20.14)	(0.30)
Verisk Analytics, Inc.	2025	30.3	23.5	(5.12)	(0.29)

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.

Syndicated research provider **Gartner, Inc.** detracted from performance 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 declines. However, we decided to sell the stock as the company was not growing as fast as it had historically and while we saw value in the stock, we did not believe it was right for this focused growth portfolio.

Portfolio Structure

We are steadfast in our commitment to long-term investing in competitively advantaged growth businesses. We run a balanced portfolio of uncorrelated businesses to help reduce portfolio risk. 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 due to its balanced nature.

As of June 30, 2026, the Fund owned 24 investments. From a quality standpoint, the Fund's investments have generally strong long-term sales growth and margins with the ability to possibly double earnings and cash flow over the next four to five years. Many of our portfolio companies generate recurring earnings and cash flow with low churn rates giving them enhanced visibility into growth and significant pricing power. Many of our portfolio companies continue to invest in their businesses to accelerate growth further. While this hurts current margins, we believe they should generate strong returns on invested capital, and the investments will accelerate further growth in the future.

While focused, the Fund is diversified by sector. The Fund's weightings are significantly different than those of the Benchmark. For example, the Fund is heavily weighted to Consumer Discretionary businesses with 33.0% of its net assets in this sector versus 8.2% 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. The Fund also has lower exposure to Health Care stocks at 1.7% versus 6.5% 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 do not invest a large amount in 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.	32.2	2025	94.8
Tesla, Inc.	12.4	2025	(8.4)
Shopify Inc.	3.3	2025	(30.5)
Spotify Technology S.A.	2.7	2025	(23.2)

Disruptive Growth firms accounted for about half 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 EV leader **Tesla, Inc.**, commercial satellite and launch company, **Space Exploration Technologies Corp.**, and audio streaming service provider **Spotify Technology S.A.** 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 (%)
Verisk Analytics, Inc.	2.9	2025	(16.7)
Birkenstock Holding plc	2.5	2026	4.1
FIGS, Inc.	2.3	2026	(2.4)
HEICO Corporation	2.3	2025	14.8
On Holding AG	2.1	2025	(27.4)
IDEXX Laboratories, Inc.	1.7	2025	(24.9)
Live Nation Entertainment, Inc.	1.5	2025	29.3
Guidewire Software, Inc.	1.5	2025	(40.0)

Core Growth investments, steady growers that continually invest in their businesses for growth and return excess cash flow to shareholders, represented 16.7% of net assets. An example would be **FIGS, Inc.**, one of the largest providers 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 their 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.

Financials Investments

	Percent of Net Assets (%)	Year Acquired	Cumulative Return Since Date Acquired (%)
MSCI Inc.	4.5	2025	2.4
The Charles Schwab Corporation	3.8	2025	(3.9)
Interactive Brokers Group, Inc.	3.5	2025	36.0
FactSet Research Systems Inc.	2.4	2025	(20.6)
Morningstar, Inc.	2.0	2026	(7.8)
Arch Capital Group Ltd.	1.8	2025	3.3
Kinsale Capital Group, Inc.	0.8	2025	(15.8)

Financials investments accounted for 18.8% 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.**

Investments with Real/Irreplaceable Assets

	Percent of Net Assets (%)	Year Acquired	Cumulative Return Since Date Acquired (%)
Hyatt Hotels Corporation	4.4	2025	20.2
Red Rock Resorts, Inc.	3.0	2025	9.8
Choice Hotels International, Inc.	2.3	2025	21.5
Vail Resorts, Inc.	2.2	2025	(10.5)
Airbnb, Inc.	1.8	2025	8.6

Companies that own what we believe are **Real/Irreplaceable Assets** represent 13.8% 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 player 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.

Portfolio Holdings

As of June 30, 2026, the Fund's top 10 holdings represented 72.7% of net assets. We have a long history of investing in many of these businesses across the Firm and 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.**, **Hyatt Hotels Corporation**, and **The Charles Schwab Corporation**, all have, in our view, significant competitive advantages due to 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.	2025	800.0	2,248.4	157.7	32.2
Tesla, Inc.	2025	1,526.4	1,579.7	60.7	12.4
MSCI Inc.	2025	41.4	41.0	21.9	4.5
Hyatt Hotels Corporation	2025	15.3	18.3	21.7	4.4
The Charles Schwab Corporation	2025	176.7	165.2	18.4	3.8
Interactive Brokers Group, Inc.	2025	109.1	148.0	17.2	3.5
Shopify Inc.	2025	213.8	147.6	16.1	3.3
Red Rock Resorts, Inc.	2025	6.5	6.8	14.7	3.0
Verisk Analytics, Inc.	2025	30.3	23.5	14.3	2.9
Spotify Technology S.A.	2025	124.6	94.5	13.2	2.7

Thank you for investing in Baron First Principles ETF™. 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	Michael Baron Co-President Portfolio Manager

† 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 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. The **Russell 3000® Growth Index** measures the performance of the broad growth segment of the U.S. equity universe. 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 Indexes include reinvestment of dividends before taxes. Reinvestment of dividends positively impacts the performance results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly in an index.

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

Investors should consider the investment objectives, risks, and charges and expenses of the investment carefully before investing. The prospectus and summary prospectus contains this and other information about the ETF. 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 leverage include increased volatility of the Fund's returns and exposure of the Fund to greater risk of loss in any given period.

Investors generally incur the cost of the spread between the prices at which shares are bought and sold. Buying and selling shares may result in brokerage commissions which will reduce returns.

Prior to trading in the secondary market, shares of the fund are "created" at NAV by market makers, large investors and institutions only in block-size Creation Units. Each "creator" or "Authorized Participant" enters into an authorized participant agreement with Baron Capital, Inc. Only an Authorized Participant may create or redeem Creation Units directly with the fund.

Investors buy and sell shares of ETFs at market price (not NAV) in the secondary market throughout the trading day. These shares are not individually available for purchase or redemption directly from the ETF. Baron Capital, Inc. serves as the distributor of the Creation Units for the ETFs on an agency basis. Baron Capital does not maintain a secondary market in Fund's shares.

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

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

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

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. **Long-term Sales Growth** refers to the increase in a company's sales over a particular period of time. It is a metric that companies can use to identify the rate at which their sales revenue increases over time. **Return on Investment (ROI)** is a performance measure used to evaluate the efficiency or profitability of an investment or compare the efficiency of a number of different investments.

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

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).

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