



## Baron Capital Supports Elon Musk's 2018 Compensation Contract

Baron Capital supports Elon Musk's 2018 compensation contract for the following reasons:

In 2018, 73% of Tesla's disinterested shareholders voted in support of Elon's compensation contract. The will of those owners of the company should be honored. The contractual agreement between the company and Elon should be honored. The voice of shareholders and legally binding contracts should not be permitted to be undone by a shareholder for hire and his strike suit lawyers. The plaintiff shareholder in question owned **nine (9) Tesla shares**, and the lawyers who represented him have requested they be awarded **\$5.6 billion in fees!** Further, the plaintiff's lawyers requested their fees be paid in Tesla shares...after its stock price has been depressed by this controversy! Does anyone honestly believe the motivation of the plaintiff and his lawyers was to serve the best interests of Tesla and its shareholders?

Elon's compensation contract contained aggressive performance metrics that few in 2018 believed could be achieved. If these aggressive performance metrics had not been achieved, Elon would have received **nothing**. When Tesla achieved targeted earnings, revenues, and market cap metrics, Tesla's shareholders benefitted greatly. Tesla's market cap when Elon's pay package was approved on March 21, 2018 was \$53.5 billion. It is approximately \$550.75 billion today, after having reached a high watermark of \$1.24 trillion in November of 2021. He performed under his compensation contract. He earned his pay.

Elon is the ultimate "key man" of key man risk. Without his relentless drive and uncompromising standards, there would be no Tesla. Especially considering how he slept on the floor of Tesla's Fremont factory when the company was going through what he called "production hell!"

If shareholders want to protect and grow their investment, they must AGAIN approve his compensation contract. Shareholders should ask themselves this question: is Tesla better off with or without Elon...whom we believe is the reason 6 million people applied for 12,000 jobs last year to work with this extraordinary individual. Because that is what is at stake. At Baron Capital, our answer is clear, loud, and unequivocal: Tesla is better with Elon. Tesla is Elon.

Ron  
June 4, 2024

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

**Risks:** All investments are subject to risk and may lose value.

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Portfolio holdings as a percentage of net assets as of March 31, 2024 for securities mentioned are as follows: Tesla, Inc. - Baron Fifth Avenue Growth Fund (2.7%), Baron Focused Growth Fund (7.8%), Baron Global Advantage Fund (2.8%), Baron Opportunity Fund (3.0%), Baron Partners Fund (29.3%\*), Baron Technology Fund (1.4%).

\*% of Long Positions.

**Portfolio holdings are subject to change. Current and future portfolio holdings are subject to risk.**

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