

DEAR BARON WEALTHBUILDER FUND SHAREHOLDER:

PERFORMANCE

In its inaugural quarter, Baron WealthBuilder Fund (the "Fund"), a fund of Baron mutual funds that have outperformed their benchmarks since inception or since the current portfolio managers began managing the funds, had good absolute and relative performance. The Fund rose 2.40% (Institutional Shares) while its primary benchmark, the S&P 500 Index (the "S&P"), fell 0.76% and the MSCI ACWI Index, its secondary benchmark, declined 1.03%.

Table I.  
Performance  
Annualized for periods ended March 31, 2018

	Baron Wealth Builder Fund Retail Shares <sup>1,2</sup>	Baron Wealth Builder Fund Institutional Shares <sup>1,2</sup>	S&P 500 Index <sup>1</sup>	MSCI ACWI Index <sup>1</sup>
Three Months and Since Inception (December 29, 2017) <sup>3</sup>	2.40%	2.40%	(0.76)%	(1.03)%

The maximum net operating expense ratio for TA Shares and Institutional Shares is 5 basis points (which does not include 111 basis points of underlying fund fees and expenses, such as the underlying fund management fees, which range from 100 basis points to 65 basis points).

After an extended period of steady gains in U.S. equity markets following the 2016 U.S. Presidential election, volatility returned in the first quarter. January witnessed strong markets as the optimism for the new tax law led to an expansion of earnings estimates and multiples. Investors' concerns in February and March about trade wars, geopolitical unrest, and hawkish Fed actions led to weaker markets.

While you should not extrapolate returns from the Baron WealthBuilder Fund's initial three months results, we were pleased with the Fund's performance in varied market environments. During a strong January, the Fund returned 6.40% compared to the S&P's appreciation of 5.73%. The Fund's outperformance was then driven by WealthBuilder Fund's investments in our firm's high growth-oriented funds, Baron Opportunity Fund and Baron Fifth Avenue Growth Fund. These Baron Funds were the strongest performers in the period due primarily to each fund's significant allocations to Information Technology. Baron Partners Fund and Baron Asset Fund also performed very well in January.

Performance listed in the above table is net of annual operating expenses. Annual estimated expense ratio for the Retail Shares and Institutional Shares is 2.13% and 1.88%, respectively, but the net annual estimated expense ratio is 0.30% and 0.05% (net of the Adviser's fee waivers), respectively. *The performance data quoted represents past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original cost. The Fund's transfer agency expenses may be reduced by expense offsets from an unaffiliated transfer agent, without which performance would have been lower. Current performance may be lower or higher than the performance data quoted. For performance information current to the most recent month end, visit [www.BaronFunds.com](http://www.BaronFunds.com) or call 1-800-99BARON.*

<sup>1</sup> The indexes are unmanaged. The S&P 500 Index measures the performance of 500 widely held large cap U.S. companies. The MSCI ACWI Index is an unmanaged, free float-adjusted market capitalization weighted index reflected in US dollars that measures the equity market performance of large- and mid-cap securities across developed and emerging markets. The indexes and the Fund are with dividends, which positively impact the performance results.  
<sup>2</sup> The performance data in the table does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares.  
<sup>3</sup> Not annualized.



RONALD BARON

CEO AND PORTFOLIO MANAGER

Retail Shares: BWBFX  
 Institutional Shares: BXBIX  
 TA Shares: BWBTX

As market sentiment turned cautious in February and March, the Fund's diversification was rewarded. The S&P fell 6.13% in the two months erasing January's gains and finishing the first quarter in negative territory. Baron WealthBuilder Fund fell 3.76%, not great but better than the market. Stocks in Baron Real Estate Fund declined the most apparently due to investors' concerns about the impact of the Fed's interest rate increases on real estate valuations. Stocks in Baron Discovery Fund also declined as investors sold smaller growth companies during a "risk off" environment. Both positions are modest in the Fund. The high-quality growth stocks held by Baron Asset Fund, Baron Small Cap Fund, and Baron Growth Fund, three of Baron WealthBuilder's largest holdings, fell much less than the overall market. Those more sizable positions led to a steadier return for our shareholders than the S&P.

The economy remains on solid footing. There is consistent job creation and unemployment is at its lowest level since 2000. This is despite more people entering the workforce. The recovery phase following the 2008 recession and financial panic has ended and stock price correlations are returning to normal from their extraordinarily high levels. The Baron Funds held in WealthBuilder Fund at their core are managed by "stockpickers" whose



# Baron WealthBuilder Fund

investments in businesses are based on intensive fundamental research. We expect them to again significantly outperform markets when stocks are again less correlated. Stock prices will then be determined by fundamentals not broad market movements. We believe companies will soon be rewarded for their operational success and prospects rather than macro oriented policies and valuation multiple increases.

For a more detailed discussion about the performance and structure of the various holdings in Baron WealthBuilder Fund, please read the accompanying letters for each underlying Baron Fund.

**Table II.**  
Contribution to return for the quarter ended March 31, 2018

	Average Weight	Total Return	Percent Impact
Baron Asset Fund	15.8%	4.44%	0.72%
Baron Partners Fund	15.8	3.37	0.60
Baron Small Cap Fund	15.5	2.65	0.42
Baron Fifth Avenue Growth Fund	5.9	6.97	0.39
Baron Growth Fund	15.5	2.13	0.37
Baron Emerging Markets Fund	15.6	0.77	0.16
Baron Opportunity Fund	2.4	9.17	0.08
Baron International Growth Fund	4.5	1.99	0.07
Baron Global Advantage Fund	1.9	1.64	0.06
Baron Focused Growth Fund	2.7	1.14	0.00
Baron Discovery Fund	3.8	-1.26	-0.05
Baron Durable Advantage Fund	0.4	-4.60	-0.09
Baron Real Estate Fund	6.8	-5.67	-0.34

## FUND OF FUNDS STRUCTURE AND INVESTMENT STRATEGY

The objective of Baron WealthBuilder Fund is to provide investors with a diversified portfolio of Baron mutual funds that will outperform benchmark indexes over the long term. Baron WealthBuilder Fund seeks long-term capital appreciation and hopes to double its value per share every five-to-six years by investing in underlying Baron funds that invest in businesses that double in five-to-six years. This compares to our belief that markets and economic growth are closely intertwined over the long term and will continue to double every 10-to-12 years. We hope to double more rapidly since we invest for the long term in businesses that grow much faster than the economy. We also hope to achieve strong returns with less volatility than individual funds. Our strategy to accomplish this goal is to invest in a portfolio comprised of Baron funds that vary in market capitalization, sectors, geographies and growth rates. We determine the weightings of individual Baron mutual funds based on our qualitative assessments of: (a) absolute performance; (b) excess performance vs. a benchmark; (c) standard deviation of performance; (d) sharpe ratio; (e) beta; (f) alpha; (g) portfolio turnover; (h) growth rates of portfolio investments; (i) fund size; and (j) manager tenure.

As of March 31, 2018, Baron WealthBuilder Fund held 13 Baron Funds. The greatest weighting was Baron Emerging Markets Fund with 14.1% of net assets. The U.S. represented the most exposure with 78.6% of net assets.

**Table III.**  
Sector exposures as of March 31, 2018

	Percent of Net Assets	S&P 500	MSCI ACWI
Information Technology	25.4%	24.9%	18.8%
Consumer Discretionary	23.6	12.7	12.3
Financials	15.1	14.7	18.7
Industrials	12.8	10.2	10.8
Health Care	11.7	13.7	10.6
Real Estate	5.5	2.8	3.0
Materials	2.0	2.9	5.4
Consumer Staples	2.0	7.7	8.4
Telecommunication Services	1.1	1.9	2.9
Energy	1.1	5.7	6.2
Utilities	0.2	2.9	2.9

**Table IV.**  
Country exposures as of March 31, 2018

	Percent of Net Assets	S&P 500	MSCI ACWI
United States	78.6%	100.0%	52.1%
China	6.1		3.7
India	3.1		1.0
Brazil	1.3		0.9
South Africa	1.2		0.8
Japan	1.1		8.0
Korea	1.0		1.8
Netherlands	0.9		1.2
Taiwan	0.9		1.4
Israel	0.8		0.1
Other	5.0		29.0

**Table V.**  
Fund of fund holdings as of March 31, 2018

	Percent of Net Assets
Baron Emerging Markets Fund	14.1%
Baron Growth Fund	14.0
Baron Asset Fund	13.9
Baron Small Cap Fund	13.9
Baron Partners Fund	13.5
Baron Fifth Avenue Growth Fund	5.8
Baron Real Estate Fund	5.3
Baron International Growth Fund	4.9
Baron Opportunity Fund	3.9
Baron Discovery Fund	3.0
Baron Global Advantage Fund	2.9
Baron Focused Growth Fund	2.9
Baron Durable Advantage Fund	1.9

MARCH 31, 2018

Baron WealthBuilder Fund

**Thank you for investing in Baron WealthBuilder Fund.**

Thank you for joining us as fellow shareholders in Baron WealthBuilder Fund. We believe the growth prospects for the underlying Baron Funds in which Baron WealthBuilder Fund has invested continue to be favorable.

We continue to work hard to justify your confidence and trust in our stewardship of your family's hard-earned savings. We will also continue to provide you with information that we would like to have if our roles were reversed. This is so you will be able to make an informed judgment about whether Baron WealthBuilder Fund remains an appropriate and attractive investment for your family.

Respectfully,



Ronald Baron  
CEO and Portfolio Manager



Michael Baron  
Assistant Portfolio Manager

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*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 Funds. You may obtain them from its distributor, Baron Capital, Inc., by calling 1-800-99BARON or visiting [www.BaronFunds.com](http://www.BaronFunds.com). Please read them carefully before investing.*

The Fund is a non-diversified fund because it invests, at any given time, in the securities of a select number of Baron mutual funds (the "Underlying Funds"), representing specific investment strategies. The Fund can invest in funds holding U.S. and international stocks; small-cap, small to mid-cap, large-cap, all-cap stocks; and specialty stocks. Each of the Underlying Funds has its own investment risks, and those risks can affect the value of the Fund's investments and therefore the value of the Fund's shares. To the extent that the Fund invests more of its assets in one Underlying Fund than in another, it will have greater exposure to the risks of that Underlying Fund. For further information regarding the investment risks of the Underlying Funds, please refer to the Underlying Funds' prospectus.

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

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

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