

BAILARD

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Form ADV Part 2A
(the “Brochure”)

December 15, 2023

This Brochure provides information about the qualifications and business practices of Bailard, Inc. (“Bailard”). If you have any questions about the contents of this Brochure, please contact us at compliance@bailard.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Bailard, Inc. is an investment adviser registered with the SEC. Registration as an investment adviser does not imply a certain level of skill or training.

Additional information about Bailard is available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2 – MATERIAL CHANGES

This Brochure serves as an update to the Brochure dated June 15, 2023. There were no material changes. We simply removed the list of strategies where we apply ESG Capture and/or Product & Industry Screens since the way that we apply them is continuously refined.

ITEM 3 – TABLE OF CONTENTS

ITEM 1 – COVER PAGE	1
ITEM 2 – MATERIAL CHANGES	2
ITEM 3 – TABLE OF CONTENTS	3
ITEM 4 – ADVISORY BUSINESS	4
ITEM 5 – FEES AND COMPENSATION	9
ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	17
ITEM 7 – TYPES OF CLIENTS	17
ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS	18
ITEM 9 – DISCIPLINARY INFORMATION	32
ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	33
ITEM 11 – CODE OF ETHICS, PERSONAL TRADING, AND PARTICIPATION IN CLIENT TRANSACTIONS	33
ITEM 12 – BROKERAGE PRACTICES	36
ITEM 13 – REVIEW OF ACCOUNTS	44
ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION	46
ITEM 15 – CUSTODY	47
ITEM 16 – INVESTMENT DISCRETION	47
ITEM 17 – VOTING CLIENT SECURITIES	48
ITEM 18 – FINANCIAL INFORMATION	49

ITEM 4 – ADVISORY BUSINESS

A. Firm Overview

Bailard, Inc. (“Bailard”, “we”, “us”, “the firm”, or “our”) is a registered investment adviser headquartered in Foster City, California with approximately 73 employees. Bailard was founded in 1969 by three graduates of the Stanford Graduate School of Business. From its inception, Bailard has had a focus on education and providing clients with diversification over multiple asset classes.

Bailard has two divisions: Bailard Wealth Management and Bailard Asset Management (previously “Bailard Institutional”). Bailard Wealth Management provides investment advisory and financial planning services to investors seeking multi-asset diversification. Bailard Asset Management offers single asset strategies to separate account clients, mutual funds, and affiliated pooled vehicles.

We maintain a business discipline designed to attract and retain top investment talent, and the average tenure among Bailard’s 43 key professionals was 15 years. Of the professional staff, 81% have advanced degrees and/or industry designations, e.g., PhD, Masters, MBA, CFA, CFP®, JD, LL.M., CIMC®, CIMA®, CDFA®, CPWA, and RICP®. Led by Chief Executive Officer, Sonya Mughal, Bailard’s senior management team is comprised of five individuals with an average tenure at Bailard of 20 years.

B. Ownership Structure

Bailard is a wholly-owned subsidiary of BB&K Holdings, Inc., a privately owned C-Corporation. BB&K Holdings, Inc. is subject to the oversight of a board of directors which consists of six outside directors and one Bailard employee, specifically, Sonya T. Mughal (Chief Executive Officer).

We view our independence as the best way to serve our clients well and to provide the scope, stability and alignment of interests for continued success. As of March 31, 2023, 52 employees owned approximately 59% of the firm, with the remaining shares owned by former employees and private investors.¹ Moreover, as of March 31, 2023, Bailard was 52% owned by women and minorities.

C. Bailard Wealth Management Services

Bailard has been advising high net worth investors for over fifty years. We provide high-touch client service, multi-asset class portfolios, and financial planning to help our clients secure their financial landscape and achieve their goals. Our advice is based on the needs and objectives of the specific client.

Bailard Wealth Management Service investment portfolios may include a mix of traditional assets (core U.S. stocks, international stocks, U.S. bonds and cash equivalents) as well as more specialized components such as tactical assets, small-cap value stocks, growth stocks, real estate, alternative investments, as well as sustainable, responsible, and impact investments, which is further discussed below. Tax issues as well as risk tolerance are considered in building client portfolios. As active managers, we make shifts in asset allocation in response to changing economic and market conditions.

Sustainable, Responsible & Impact Investing (“SRI”)

In addition to being informed by traditional financial analysis, many of Bailard’s investment portfolios incorporate Sustainable, Responsible, and Impact Investing (“SRI”) principles in

¹ For further information, please see additional disclosures in Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading.

their construction and management. Under this approach, our goal is to build portfolios that perform better on environmental, social, and governance (ESG) metrics than their benchmarks, and that avoid companies with egregious patterns of corporate behavior. Our process combines our proprietary ESG Capture® scoring framework with suitability assessments as well as product and industry screens. Our aim is that our portfolios do less harm to society and the planet, while also reducing exposure to long-term financial risk and providing market-rate returns.

ESG Capture®. For some Bailard strategies, we score companies on their ESG practices and performance using Bailard's ESG scoring framework called ESG Capture®. We use this information in the building and managing of our portfolios to incorporate ESG leaders and avoid ESG laggards. Our ESG Capture® process allows us to mitigate exposure to risks including climate change; poor corporate governance; undisclosed political giving; poor performance on diversity, equity, and inclusion; and more – while also pursuing investing opportunities in the companies performing well on, or providing solutions to, these problems. Further, ESG Capture® is tailored to individual strategies to address each strategy's unique investible universe.

Product & Industry Screens. For some Bailard strategies, we utilize Product & Industry Screens to remove companies from our investable universe if they misalign with the social or environmental aims of the strategy in question. Many of our strategies screen out investments in private prisons, alcohol, tobacco, gambling, adult entertainment, and weapons. In addition to including the above screens, certain strategies are also extraction- and fossil fuel-free, while others are specialized to address particular issues, like animal welfare.

Suitability Assessments. When our investment research teams want to learn more from an ESG perspective about a security they're considering buying, or if a company makes it into our investable universe but we have concerns about it from an ESG perspective, we evaluate the company using a tool called a Suitability Assessment. The Suitability Assessment includes information on the company's ESG scoring, product and industry involvement, recent news and controversies, and peer benchmarking. Based on these inputs, the Assessment provides an overall recommendation as to which Bailard portfolio strategies would be appropriate for ownership of the security in question. Suitability Assessments go beyond basic ESG and screening approaches, with the goal of leading to better alignment between companies and the values built into the strategies in which they're owned.

Impact Investing. Bailard also offers impact investing strategies, which aim to have a positive impact on society and the planet while providing a return on capital. Clients who choose to make impact investing a part of their overall investment mix will have the opportunity to make a positive social and environmental impact by providing direct investment to companies and projects that align with their values – examples include renewable energy, decarbonization, diversity and inclusion, job creation, and affordable housing. Our impact investing strategy options include direct investments in both debt and private equity vehicles, as well as our own public equity impact investing strategy called Bailard Broad Impact and Bailard Broad Impact Global.

For some clients in the ESG/SRII strategies, Bailard may also invest the client in a related funds-only strategy, e.g., Fundamental Large Cap Funds strategy or SRII Large Cap Funds strategy, that holds a combination of mutual funds and/or ETFs. Some of the mutual funds/ETF's held in these strategies apply their own ESG screens, but we do not apply the Bailard Products & Industry screens to the strategies.

Beyond investing itself, SRII at Bailard includes Corporate Engagement and Thought Leadership. Bailard actively engages with companies in our portfolios, directly and as a part of stakeholder coalitions, on ESG issues to help ensure favorable outcomes for shareholders, society, and the planet. And we leverage independent research, written pieces, and media engagement to illustrate the importance and relevance of these issues.

Other Services provided by Bailard Wealth Management

Depending on client preferences and needs, the services we offer to Bailard Wealth Management clients may include financial planning, as further discussed below, estate plan consultation with our Director of Estate Strategy, income tax planning, healthcare planning, elder care planning, multi-generational family planning, special needs planning, life insurance and annuity review, executive compensation (review of 10b5-1), and consultation on outside commercial real estate exposure.

Financial planning services are available to Bailard Wealth Management clients who choose to engage in this process. After five decades of providing financial planning advice, we can draw upon a strong library of knowledge and experience. Typically, this is a very fluid process, where the financial plan is reviewed in response to changes in personal or financial circumstances.

Investment restrictions may be established by Bailard Wealth Management clients with regard to their accounts managed by Bailard. Restrictions may be placed on purchases and sales of certain securities, industries, sectors and asset classes, etc. Clients may also provide input regarding income tax recognition, minimization or maximization.

Under certain circumstances, Bailard will provide investment services for these clients without first undertaking a thorough review of the client's circumstances, financial or otherwise. This approach is limited to those clients who instruct us to disregard these circumstances and/or to those corporate pension and profit-sharing plans which are subject to ERISA.

Please note that, while Bailard takes tax issues into consideration as described above when managing Bailard Wealth Management client portfolios, it is not an accountant and cannot provide tax advice. Clients should consult with their tax advisors for such advice. In the context of providing financial planning services, which may touch on matters that are legal in nature, we would like to remind clients to consult with their legal advisers as we are not attorneys and cannot provide legal advice.

D. Bailard Asset Management Services

Bailard Asset Management offers investment strategies in both traditional long-only equity management and alternative investments. Bailard Asset Management manages the following asset classes and investment styles:

EQUITY STRATEGIES

In the management of the long-only equity strategies, Bailard Asset Management utilizes quantitative methods to varying degrees that attempt to add value relative to client specific benchmarks. These quantitative methods are based on an evolution of our quantitative research, which began in 1995.

Strategy Name	Description
Broad Impact	The strategy seeks to build a portfolio comprised of companies we believe will have a net positive impact on society over the short,

Strategy Name	Description
	medium or long term. The portfolio may include companies in disruptive and transformative industries. The investment team prioritizes companies contributing to the macro-themes of Inclusion and Sustainability through business practices, products and/or services, as expressed through 21 micro-themes. The portfolio will be comprised of companies that in our view can help the planet and people of all backgrounds thrive.
Broad Impact Global	Applying Bailard's Broad Impact philosophy to an expanded universe, the strategy seeks to build a portfolio comprised of companies we believe will have a net positive impact on society over the short, medium or long term. The portfolio may include companies in disruptive and transformative industries among the U.S. and non-U.S. public equity markets. The investment team prioritizes companies contributing to the macro-themes of Inclusion and Sustainability through business practices, products and/or services, as expressed through more than 20 micro-themes, as curated for the global investment universe. The portfolio will be comprised of companies that in our view can help the planet and people of all backgrounds thrive.
International	Designed to dynamically respond to the investment environment and focus on the selection of countries as well as individual securities.
Micro Cap Value ESG ²	Integrates behavioral finance techniques in an effort to identify temporarily mispriced equities.
Quality Growth	Seeks to invest in high quality companies with competitive sales and earnings growth rates. We seek to manage risk through diversification of holdings and economic sectors. Holds 45 to 60 positions in most but not all the ten economic sectors as defined by MSCI.
Small Cap Value ESG	Integrates behavioral finance techniques in an effort to identify temporarily mispriced equities.
Smart ESG ADR	Seeks to combine a robust ESG framework with low tracking error to the MSCI EAFE Index, a broad developed international market benchmark.
Smart ESG US All Cap	Seeks to implement a robust ESG framework while maintaining a low tracking error to a broad market benchmark, the MSCI USA Investable Market Index (IMI).
Technology ³	Invests in the stocks of firms that predominately use technology to drive their businesses, with exposure primarily to the information technology sector and, to a lesser extent, such broad economic sectors as telecommunications, industrials and consumer discretionary.

² This strategy is currently implemented on a portion of the Nationwide Cognitive Value Fund.

³ This strategy is currently implemented on a portion of the Nationwide Bailard Technology & Science Fund.

Strategy Name	Description
Technology and Science	Emphasizes the technology and science sectors as well as other growth industries in the marketplace.

FIXED INCOME STRATEGIES:

Strategy Name	Description
Active Fixed Income	Our long-only active fixed income strategy uses a top-down investment process to develop ways to add value relative to various fixed income benchmarks for both taxable and tax-exempt portfolios. We generally construct high-quality portfolios with intermediate duration targets, in an effort to produce a competitive level of after-tax income while preserving principal.
Laddered Bond	A long-only passive laddered bond strategy that seeks to provide an attractive and predictable level of income while focusing on capital preservation by investing in high quality bonds.

ALTERNATIVE INVESTMENT STRATEGIES

Bailard Asset Management's alternative investment strategies pursue a wide range of investment opportunities.

Strategy Name	Description
Real Estate	Encompasses more than 40 years of Bailard's experience in investing in and managing real estate portfolios and offers investors exposure to office, industrial, retail, multi-family residential and other types of commercial properties.
Technology Opportunities	Focuses on small and mid-cap technology companies globally with strong prospects for above-market growth.

Additional information on Bailard Asset Management's equity, fixed income and alternative investment strategies can be found in Item 8.

E. Separate Accounts, Sub-Advisory Services and Pooled Vehicles

Separate Accounts and Sub-Advisory Services

A separate account is a client specific portfolio individually managed in accordance with one of our long-only equity or alternative investment strategies, subject to the investment policies, limitations and restrictions of our clients. A separate account could, for example, represent all or a portion of the assets of a pension plan, endowment, or individuals.

We also offer advisory and sub-advisory services to pooled investment vehicles and mutual funds.

Pooled Vehicles

Bailard Asset Management currently manages the following affiliated, unregistered pooled vehicles:

- Bailard Real Estate Investment Trust, Inc. (the “Real Estate Fund”)⁴
- Bailard Emerging Opportunities Fund I, LP (formerly known as Bailard Emerging Life Sciences Fund I, LP) (the “EOF”)

As of the date of this Brochure, Bailard is in the process of launching the Bailard Multifamily Fund, L.P. (the “Multifamily Fund”).

F. Wrap Fee Program

Bailard provides portfolio management services to a small number of wrap fee accounts. These accounts participate in a wrap fee program called Managed Account Consulting (“MAC”) that is sponsored by D.A. Davidson & Co., a third-party firm (“sponsor firm”), which is a dually registered investment adviser and broker-dealer.

While Bailard attempts to manage wrap fee program accounts similarly to non-wrap fee accounts, wrap fee accounts are administered differently as discussed throughout this document. For example, non-wrap fee accounts generally pay advisory fees directly to Bailard. Wrap fee accounts generally pay a wrap fee directly to the sponsor firm, and Bailard receives a portion of the wrap fee from the sponsor. Also, wrap fee accounts have limited direct contact with Bailard investment professionals; the sponsor firm typically has its own relationship with a wrap fee account. In addition, Bailard places orders for wrap fee account trades differently than for non-wrap fee accounts. For further information on Bailard’s brokerage practices with respect to wrap fee accounts, please see Item 12 – Brokerage Practices that follows in this document.

Bailard discloses in Part 1A of its Form ADV that it participates in D.A. Davidson’s MAC program. For further information on the MAC program, please refer to the D.A. Davidson’s Part 2A of Form ADV, including Appendix 1 of Form ADV: Wrap Fee Program Brochure. Both of these documents are available through the SEC’s Investment Adviser Public Disclosure website.

G. Client Assets Under Management

Bailard’s total assets under management were \$5.3 billion (including \$5.28 billion discretionary and \$16.88 million non-discretionary assets) as of March 31, 2023.

ITEM 5 – FEES AND COMPENSATION

Our fee schedules vary depending on the service or product in which a client invests. The standard annual fee schedule for each product and service is set forth below. From time to time, we negotiate the fees charged to an account. For example, certain clients transferring from another manager are sometimes allowed to maintain their previously existing fee schedules.

A. Bailard Wealth Management

The Wealth Management investment advisory fee is payable quarterly in advance, based on the market value of investments at quarter-end, net of any credits, and is annualized as follows:

1.00% of the first \$5 million

⁴ The Real Estate Fund was added to the National Council of Real Estate Investment Fiduciaries’ (NCREIF) Open-end Diversified Core Equity Index (NFI-ODCE) as of March 31, 2021. Bailard’s Real Estate Fund joined as the NFI-ODCE’s 27th active fund.

0.75% of the next \$5 million
0.50% for amounts over \$10 million

Minimum annual fee: \$20,000

We generally bill clients during the month after each calendar quarter end. Clients receive an invoice(s) showing the fee calculation. Clients may choose to have their fees deducted from their custody account(s) or to be billed directly. Most clients have authorized their fees to be deducted directly from their custody account(s). Their invoices indicate that the fees have been withdrawn from their accounts.

In circumstances where a client begins or terminates an account during the calendar quarter, we prorate their management fee for that quarter and either issue a partial bill or a refund of fees previously paid in advance.

The initial management fee for clients who open an account during the quarter is calculated by multiplying their normal quarterly management fee by a factor equal to the number of calendar days during the quarter their account will be under management divided by the total number of calendar days in the year.

For clients who terminate during a quarter, we calculate a revised billing by: 1) multiplying their last quarterly management fee before credits by a factor equal to the number of calendar days the account was active divided by the total number of calendar days in the quarter; 2) subtracting the fund credits for the prior quarter; and 3) subtracting the fund credits for the current quarter to the termination date. Terminating clients who have already paid their quarterly fee in advance will receive a refund equal to the difference between their payment amount and the revised billing amount, except that the revised management fee after credits cannot be less than zero. In other words, Bailard will not be obligated to refund an amount greater than the fees paid in advance by the client. Clients may terminate their relationship at any time with written notice.

In some instances, such as concentrated stock positions, low basis securities or client directed investments, Bailard may place a security in a non-billable category called "Unmanaged Assets." No management fee is assessed on these securities and no management responsibilities are required of Bailard on these assets.

At Bailard's discretion, a Bailard Wealth Management client's account(s) may be aggregated (or househanded) with other Bailard managed account(s) for the purposes of applying the fee breakpoints and minimum annual fees to the househanded account(s)' billing.

Bailard Wealth Management has different fee schedules, investment minimums and fee arrangements with different clients. Some clients have higher or lower fees than other clients with the same assets under management. When a new account is househanded with an existing client's account(s), it will be subject to the existing account(s)' fee arrangement, which may be different than that presented at the beginning of this Item 5.

Certain Bailard Wealth Management clients engage third party professionals to provide additional tax, legal, estate planning and similar services in connection with their Bailard managed accounts. For clients who meet minimum account size and other criteria established by Bailard in its discretion, Bailard may agree to rebate or reduce its fees (or to provide reimbursement) to offset or provide an allowance for all or a portion of the fees charged by such third parties for such additional professional services.

[Wrap Fee Accounts](#)

Bailard is a portfolio manager in the D.A. Davidson MAC program. D.A. Davidson's Wrap Fee Program Brochure ("Wrap Brochure") discloses the wrap fee for the various wrap programs it offers. D.A. Davidson pays a portion of the total fee received from the clients in the MAC program to portfolio managers participating in the program. In our case, D.A. Davidson pays a management fee of 0.6% on an annualized basis to Bailard.

The wrap fee is billed quarterly in advance and covers various services, including D.A. Davidson's advisory services to clients, brokerage, and custodial fees, administrative expenses, fees payable to the platform, and the portfolio managers, of which Bailard is one, utilized in the MAC Program. The wrap fee does not cover execution charges on transactions executed by other broker-dealers and certain other expenses that are described in the wrap fee program brochure.

If a wrap fee account terminates its account prior to the end of a quarter, the wrap fee account is expected to coordinate receipt of a refund directly with the sponsor firm that bills the wrap fee account; typically, Bailard will issue the refund amount to the sponsor firm. Bailard may issue the refund to the wrap fee account directly at the request of the wrap fee account or the sponsor firm.

In addition to the wrap fee, wrap fee accounts pay additional brokerage commissions when their trades are not placed with sponsor (this practice is sometimes known as "stepping out" trades or "trading away" from the sponsor firm). Wrap fee accounts should consider that, depending upon the rate of the wrap fee charged, the amount of trading activity, the value of custodial and other services provided and other factors, the wrap fee could exceed the aggregate costs of the services provided if they were to be obtained separately (although, in some cases, it is possible to obtain such services only through the program) and, with respect to brokerage, any transaction-based commissions paid by the account. For further information on Bailard's brokerage practices with respect to wrap fee accounts, please see Item 12 – Brokerage Practices.

Other Fees and Expenses

Financial Planning

For Bailard Wealth Management Service clients, financial planning services are generally included in their management fees. However, from time to time we provide financial planning services at a flat fee, typically from \$3,500-\$15,000 per engagement. This fee may be forgiven should the financial planning client become a full investment advisory client.

Financial Advisory Fee

In addition to our normal services, Bailard Wealth Management has a few client(s) who require specialized investment analysis or projects and/or on-going financial planning needs. In these instances, we charge a retainer, typically ranging from \$2,000-\$50,000 annually depending on complexity. These client(s) may or may not be investment advisory clients of Bailard.

Other

In addition to the fees described above, Bailard Wealth Management clients pay the following fees and expenses, if any:

1. Custody or other fees charged by their bank or brokerage custodian

2. Commission costs and other transaction fees on certain types of executed trades
3. Fees and expenses charged by mutual funds, exchange traded funds or private vehicles not managed or sub-advised by Bailard. A significant percentage of Bailard Wealth Management clients' investment portfolios may be invested in exchange traded funds.
4. Margin interest, where applicable. Bailard does not recommend the use of margin but will counsel clients on its use if a margin transaction is specifically requested.

In addition to their investment management fees and performance fees/allocations, investors in Bailard's pooled vehicles and sub-advised mutual funds bear their pro rata portion of the funds' operating expenses. These expenses generally include brokerage and other investment-related expenses, in some cases certain research expenses, as well as administrative expenses, including, but not limited to, filing and legal expenses, fund administration, custody, tax preparation expenses and the fees associated with an annual audit. The Real Estate Fund also pays Bailard a separate operations management fee.

A more complete description of the fees to be paid to Bailard and its affiliates in connection with each individual fund investment, as well as the expenses of each fund, is available in the offering documents and other governing documents of each fund. These documents are made available to each eligible prospective investor before, or coincident with, any investment in the applicable fund.

Clients who are employees of Bailard receive a discount on their investment management fees.

B. Bailard Asset Management

Standard annual fee schedules for Bailard Asset Management's new separate accounts are as follows:

Equity Strategies

Strategy Name	Fee Schedule
Broad Impact	0.50% annual management fee
Broad Impact Global	0.50% annual management fee
International	0.75% of the first \$25 million 0.65% of the next \$25 million 0.50% of the next \$50 million 0.40% on assets > \$100 million
Micro Cap Value ESG	1.00% annual management fee
Quality Growth	1.00% of the first \$1 million 0.75% of the next \$4 million 0.50% of the next \$15 million 0.375% of the next \$20 million 0.25% on amounts over \$40 million
Small Cap Value ESG	0.90% of the first \$25 million 0.70% of the next \$25 million 0.60% of the next \$50 million

	0.50% on assets > \$100 million
Smart ESG ADR	0.30% of the first \$50 million 0.20% on assets > \$50 million
Smart ESG US All Cap	0.30% of the first \$50 million 0.20% on assets > \$50 million
Technology	0.75% of the first \$100 million 0.70% above \$100 million
Technology and Science	0.75% of the first \$100 million 0.70% above \$100 million

Fixed Income Strategies

Strategy Name	Fee Schedule
Active Fixed Income	0.50% on the first \$5 million 0.40% on the next \$5 million 0.30% on assets >\$10 million
Laddered Bond	0.50% on the first \$5 million 0.40% on the next \$5 million 0.30% on assets >\$10 million

Alternative Investment Strategies

Strategy Name	Fee Schedule
Real Estate	0.85% annual asset management fee
Technology Opportunities	1% annual management fee 20% annual performance fee (subject to a high water mark and 5% hurdle rate)

Pooled Vehicles Fees

Real Estate Fund

The Real Estate Fund pays Bailard an annual management fee as follows:

0.85% of the first \$750 million of Net Asset Value

0.75% of the Net Asset Value above \$750 million.

To the extent that the Fund's uncommitted cash exceeds 10% of the net asset value of the Fund as of the date that the Net Asset Value is determined, the investment management fee will be reduced by an amount equal to 0.425% of such excess cash amount.

Investment management fees are paid monthly in arrears based on quarter-end valuations.

Note: In addition to this investment management fee, the Real Estate Fund pays Bailard an annual operations management fee of 0.35% of the first \$500 million of Net Equity Value; 0.25% of the next \$500 million of Net Equity Value; and 0.15% of the Net Equity Value above \$1 billion, where Net Equity Value is the gross value of the property portfolio less deductions for debt and for the interests of it operating/development partners.

Like other investors in the Real Estate Fund, Wealth Management clients bear their proportionate share of the fees and expenses that the Real Estate Fund charges its shareholders. However, to avoid "double billing", Bailard Wealth Management clients who invest in the Real Estate Fund are credited their pro-rata share of the investment management fee paid to Bailard by the Real Estate Fund. The amount of the credit will not exceed the amount of Wealth Management advisory fee payable directly to Bailard. Our calculation method may result in higher or lower fees than if the Real Estate Fund were excluded from the calculation of the Wealth Management advisory fee. Bailard Wealth Management clients do not receive a credit for the operations management fee that Bailard receives from the Real Estate Fund.

EOF

The EOF pays Bailard an annual management fee as follows:

1% annual management fee

20% incentive allocation based on net profit allocated with a 5% hurdle rate.

Performance allocation is payable to the EOF's general partner, which is an affiliate of Bailard. Management fees are paid monthly in arrears based on month-end valuations.

Like other investors in the EOF, Wealth Management clients bear their proportionate share of the fees and expenses that the Fund charges its shareholders. However, to avoid "double billing", Bailard does not include the balances held in the EOF in a client's total assets under management in the computation of Bailard Wealth Management clients' investment advisory fee. The market value of the EOF does count toward the calculation of minimum annual fees and fee break points where relevant.

The Multifamily Fund

Once the Multifamily has been launched, it will pay the following fees to Bailard:

Multifamily Fund Management Fee	Incentive Allocation
1.00% on uncalled committed capital / 1.50% on capital called and invested (for investors who invest after the initial close)	20% carried interest incentive fee with an 8% hurdle rate
0.85% on uncalled committed capital / 1.25% on capital called and invested (for investors who invest at the initial close)	

To avoid double billing, Bailard would not include the balances held in the Multifamily Fund in a client's total assets under management in the computation of Bailard Wealth Management clients' investment advisory fee. The market value of the Multifamily Fund would count toward the calculation of minimum annual fees and fee break points where relevant.

Portfolio Investment Fees. The Multifamily Fund's General Partner, Bailard, the Fund's key personnel, and their affiliates, may provide services to Fund Investments. 100% of net proceeds attributable to directors' fees, transaction fees, monitoring fees, break-up fees, and other similar fees paid to the General Partner, Bailard, the Fund's key personnel, or their affiliates in respect of the Fund's Investments (consummated or unconsummated), and fees for management services provided to any of the Fund's Investments, will offset the Management Fees that would otherwise be payable by the Fund to Bailard.

Nationwide Bailard Fund Fees

As sub-adviser to the Nationwide Bailard International Equities Fund, the Nationwide Bailard Cognitive Value Fund, and the Nationwide Bailard Technology & Science Fund (collectively, the "Nationwide Bailard Funds"), Bailard is paid an annual sub-advisory fee of 0.375% by Nationwide Fund Advisors ("NFA").

In addition, NFA pays Bailard a fiduciary fulfillment on a monthly basis at the following annual rates: (i) 0.275% of the daily net assets of the Class M shares of the Nationwide Bailard International Equities Fund; and (ii) 0.305% of the daily net assets of the Class M shares of the

Nationwide Bailard Cognitive Value Fund and the Nationwide Bailard Technology & Science Fund. NFA does not pay a fiduciary fulfillment fee on any other classes of the Nationwide Bailard Funds.

Bailard Wealth Management clients who invest in the Nationwide Bailard Funds do so through the Class M shares.

Like other investors in the Funds, Bailard Wealth Management clients bear their proportionate share of the fees and expenses that each Nationwide fund charges its shareholders. However, to avoid “double billing,” Bailard Wealth Management clients investing in any of the Nationwide Bailard Funds are credited their pro-rate share of the management fee and fiduciary fulfillment fee paid to Bailard by NFA.

General Fee Disclosures for Bailard Asset Management

The specific manner in which fees are charged by Bailard is delineated in the client’s investment management agreement (IMA) with Bailard. As specified in the IMA, clients may choose to have the fees deducted from their account or make separate payments to Bailard. In general, fees will be payable monthly or quarterly in arrears. However, both fixed income strategies’ management fees are paid quarterly in advance.

As specified in the IMA, management fees typically will be prorated for each capital contribution and withdrawal made during the applicable billing period (with the exception of de minimis contributions and withdrawals).

Accounts initiated or terminated during a billing period will be charged a pro-rated fee. The initial management fee for Bailard Asset Management clients who open an account during a billing period is calculated by multiplying their normal management fee by a factor equal to the number of calendar days during the billing period that their account will be under management divided by the total number of calendar days in the year.

For clients who terminate during a billing period and pay their fees in arrears, a pro-rated final fee will be calculated by multiplying their normal management fee by a factor equal to the number of calendar days the account was active divided by the total number of calendar days in the billing period. Terminating fixed income strategy clients who have already paid their quarterly fee in advance will receive a refund equal to the difference between their payment amount and their pro-rated final fee. A client may terminate at any time with written notice.

For separately managed accounts, the only fee paid to Bailard is the investment management fee in the investment management agreement. All other fees and expenses associated with the account are the sole responsibility of the client. These fees include, but are not limited to, brokerage commissions, transaction fees, taxes, custodial fees, administrator fees, trustee fees, and fees for audit, tax and legal services. In addition to their management fees (as well as the performance fee in the case of the EOF), Bailard Asset Management clients also pay fees and expenses charged by exchange traded funds and mutual funds not managed or sub-advised by Bailard that are held in clients’ portfolios.

In addition to their management fees (as well as the performance fee in the case of the EOF and the Multifamily Fund), investors in Bailard’s pooled vehicles and sub-advised mutual funds

bear all of their own operating expenses, which generally include brokerage and other investment-related expenses, in some cases certain research expenses, as well as administrative expenses including filing and legal expenses, fund administration, custody, tax preparation expenses and the fees associated with an annual audit.

A more complete description of the fees to be paid to Bailard and its affiliates in connection with each individual fund investment, as well as the expenses of each fund, is available in the offering documents and other governing documents of each pooled vehicle. These documents are made available to each eligible prospective investor before, or by the time of, any investment in the pooled vehicle.

Bailard has had different fee schedules, investment minimums and fee arrangements in the past. Some clients have higher or lower fees than other clients with the same assets under management or investment strategy.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As noted in Item 5 above, Bailard and/or its affiliates receive a performance-based fee or allocation from two pooled vehicles, i.e., the EOF and the Multifamily Fund, when certain criteria are met. For all other clients, Bailard charges fees that are based on a fixed percent of the assets under our management. (See Item 5 – Fees and Compensation for more information about the different types of fees we charge for our services.)

The performance fee applicable to the pooled vehicle creates a potential incentive for Bailard to make investments that are riskier or more speculative than would be the case if such arrangements were not in effect. In addition, the performance fee creates a potential incentive for Bailard to favor the pooled vehicle that charges a performance fee (which is likely to be a higher fee paying account) over other client accounts in the allocation of investment opportunities.

To mitigate these potential conflicts, Bailard has adopted side-by-side management and trade allocation policies and procedures designed to monitor that client accounts are treated fairly and equitably regardless of the types of fees that they pay.

ITEM 7 – TYPES OF CLIENTS

A. Bailard Wealth Management

Bailard Wealth Management services are provided to a broad range of client types, including: high net worth individuals and families, endowments, foundations and charitable organizations, and pension & profit sharing plans and trusts. Advice to these types of clients is typically provided directly through an investment management agreement between Bailard and the clients, but in some cases, may be provided through a wrap fee program.

The minimum recommended account size for the Bailard wealth management service is \$2,000,000, but this is negotiable. As described in Item 5-Fees and Compensation, there is no minimum account size for smaller accounts that are associated with Bailard wealth management clients.

In order to be eligible to invest in Bailard's pooled vehicles, prospective investors must be "accredited investors" as defined in Regulation D under the Securities Act of 1933, and, for certain of the Bailard pooled vehicles, "qualified clients" or "qualified purchasers" as defined in the Investment Company Act of 1940.

B. Bailard Asset Management

Bailard Asset Management provides portfolio management services to individuals, high net worth individuals, endowments, foundations, pension plans, pooled vehicles, registered mutual funds, and a sovereign wealth fund.

Separate account minimums for initial investment are as follows:

Account Minimum	Name of Strategy
\$1 Million	Active Fixed Income Laddered Bond
\$5 Million	Broad Impact Broad Impact Global Quality Growth Small Cap Value ESG Smart ESG ADR Smart US All Cap Technology Technology and Science Technology Opportunities
\$20 Million	International
\$25 Million	Micro Cap Value ESG
\$100 Million	Real Estate

In some circumstances, investment minimums are waived.

Pooled Vehicles

Account minimums for Bailard's pooled vehicles are set by each pooled vehicle. In order to be eligible to invest in Bailard's pooled vehicles, prospective investors must be "accredited investors" as defined in Regulation D under the Securities Act of 1933, and for certain of the Bailard pooled vehicles, "qualified clients" or "qualified purchasers" as defined in the Investment Company Act of 1940.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

A. Bailard Wealth Management

We manage diversified portfolios across a broad risk spectrum for our wealth management clients. We carefully construct diversified portfolios of assets that have low correlations with one another with the intention of enhancing return and reducing volatility. Our process begins with the creation of a longer-term strategic portfolio which consists of a mix of low and high volatility assets. These generally include cash and cash equivalents, fixed income, domestic and international equities, real estate and some specialized strategies, although some clients may choose not to invest in certain of these asset classes. Our strategic mix of assets changes based on economic, valuation and market factors; in general, we don't expect frequent changes to this mix. In addition, we seek to

take advantage of shorter-term opportunities in the markets by increasing or decreasing our clients' exposure to individual asset areas. Our real estate and specialized strategies are only used for those wealth management clients for whom they are appropriate.

For socially responsible portfolios managed under the SRI umbrella, we use data from social research vendors and/or proprietary research to create an ESG Capture® score on the environmental, social and governance aspects of investment securities. We use socially responsible investing screens to avoid undesirable products or industries ("Product & Industry Screens"). We then customize the social investment portfolios in an attempt to meet the ESG preferences of each client.

We use a combination of quantitative research/models, fundamental analysis and/or qualitative judgment. Our fundamental research expertise is used in the analysis of our fixed income, real estate and our specialized strategies. We utilize a broad basket of individual holdings, exchange traded funds, and pooled vehicles to deliver a diversified portfolio to our clients. Some smaller accounts invest solely in exchange traded funds and pooled vehicles. Our investments are diversified across asset classes as well as within each asset area.

Asset Allocation and Management Risks

Our asset allocations may not be correctly positioned at all times and our investment decision making may not produce the desired results. Bailard can give no assurances that they will achieve their investment objectives.

B. Bailard Asset Management

Bailard Asset Management's investment strategies include traditional long-only strategies as well as alternative investments.

Our long only investment strategies include, among others, international equities (for a variety of client mandates, including developed and/or emerging markets), U.S. all cap impact equity, ESG ADR equity, U.S. small cap value equity, U.S. micro cap value equity, U.S. technology and science equity, technology equity, and fixed income.

Our alternative investments include a real estate investment strategy and a specialized technology opportunities strategy.

EQUITY STRATEGIES

Broad Impact

The Broad Impact strategy seeks to build a portfolio comprised of companies we believe will have a net positive impact on society over the short, medium or long term. The portfolio may include companies in disruptive and transformative industries. The investment team prioritizes companies contributing to the macro-themes of Inclusion and Sustainability through business practices, products and/or services, as expressed in the below micro-themes.

Broad Impact Global

Applying our Broad Impact philosophy to an expanded universe, the strategy seeks to build a portfolio comprised of companies we believe will have a net positive impact on society over the short, medium or long term. The portfolio may include companies in disruptive and transformative industries among the U.S. and non-U.S. public equity markets. The investment team prioritizes companies contributing to the macro-themes of Inclusion and Sustainability through business practices, products and/or services, as expressed through more than 20 micro-themes, as curated for the global investment universe. The portfolio will be comprised of companies that in our view can

help the planet and people of all backgrounds thrive.

International

This strategy is actively managed and utilizes a robust country selection approach to offer broad developed and emerging market exposures. We use a quantitative approach to investing where we pursue a disciplined, consistent and repeatable investment methodology. Our approach focuses first on country selection and then on stock selection within each individual country. We view the world's countries on a relative basis using a dynamic country factor model, overweighting our highest ranked markets and underweighting our lowest ranked markets relative to a predetermined benchmark. After we have arrived at our country weights, we engage in an independent security selection process to choose individual stocks within each country. Our stock selection models are tailored to the specific conditions of regions and markets around the world. They incorporate measures of value, momentum, earnings revisions and earnings quality to assess the attractiveness of individual stocks.

We seek to manage risk through diversification. Our advanced portfolio management systems focus on managing risk at the country, sector, industry and security levels, allowing us to offer developed and emerging /frontier market portfolios to customized mandates. We aim to constrain sector/industry, country and regional active weights.

Micro Cap Value ESG Strategy

Our micro cap strategy focuses on a universe of U.S. micro cap stocks. Our strategy seeks to use insights from behavioral finance regarding the economically irrational behavior of investors. We apply our quantitative expertise to the management of this strategy. A variety of proprietary behavioral factor models are combined in an effort to determine which of the strategy's investable universe of several thousand stocks provides the best mispricing opportunities based on multiple behavioral finance factors. The highest ranked stocks are then scrutinized for qualitative behavioral anomalies. Our objective is to enhance the quality and reasonableness of the output of our stock selection models.

In addition, ESG Capture® is used as an investable universe screening tool. It helps us to identify companies that we view as having higher risk exposure to events like lawsuits, regulatory action or negative publicity due to either the nature of their business or how management conducts themselves. We employ other stringent risk controls in an effort to limit volatility and minimize unexpected outcomes. Economic cycle exposure is controlled by limiting economic sub-sector bets versus a client-specified benchmark. Stock specific risk is contained by holding a broadly diversified portfolio of 75 to 125 individual stocks.

Managing micro cap stocks requires astute trading expertise. We use a range of electronic platforms and systems to access crossing networks and dark pools of liquidity that do not publish quotes in the open market. Navigating through these different pools of liquidity can allow low volume stocks to be traded with reduced market impact. In addition, patient and flexible trading allows for the capturing of volume when it is available and allows for the ability to seek alternative stocks from the trade list when volume is scarce in a particular name.

Quality Growth

This strategy invests in what we consider to be high quality companies with superior sales and earnings growth rates. Stocks considered for these portfolios are those that meet our threshold for vigorous growth, quality, and valuation. We believe the companies we invest in have the following characteristics: strong management track records, solid balance sheets and cash flow, sound accounting principles, extensive research and development, unique market niches and/or barriers to

entry, and substantial unit growth. When these attributes are combined with a disciplined valuation methodology, we believe this approach will generate excess returns over time.

Because the accounts we manage are for taxable individuals or entities, we believe an average holding period of 3 to 5 years will minimize annual taxable gains and allow time for reinvestment of earnings in the businesses.

We seek to manage risk through diversification of holdings and economic sectors. Typically, we hold 45 to 60 positions in most but not all the 10 economic sectors as defined by MSCI.

Small Cap Value ESG

Our small cap value strategy focuses on a universe of U.S. small cap stocks and micro cap stocks. Our strategy seeks to use insights from behavioral finance regarding the economically irrational behavior of investors. We apply our quantitative expertise to the management of this strategy. A variety of proprietary behavioral factor models are combined in an effort to determine which of the strategy's investable universe of several thousand stocks provide the best mispricing opportunities based on multiple behavioral finance factors. The highest ranked stocks are then scrutinized for qualitative behavioral anomalies. Our objective is to enhance the quality and reasonableness of the output of our stock selection models.

In addition, ESG Capture® is used as an investable universe screening tool. It helps us to identify companies that we view as having higher risk exposure to events like lawsuits, regulatory action or negative publicity due to either the nature of their business or how management conducts themselves.

We employ other stringent risk controls in an effort to limit volatility and minimize unexpected outcomes. Economic cycle exposure is controlled by sub-sector neutrality to a client specified benchmark. Stock specific risk is contained by holding a broadly diversified portfolio of 250 to 300 individual stocks.

Managing small and micro cap stocks requires astute trading expertise. We use a range of electronic platforms and systems to access crossing networks and dark pools of liquidity that do not publish quotes in the open market. Navigating through these different pools of liquidity can allow low volume stocks to be traded with reduced market impact.

Smart ESG ADR

The investment philosophy of the Bailard ESG ADR Equity Strategy is to combine a robust ESG framework with low tracking error to the MSCI EAFE Index, a broad developed international market benchmark. We utilize Bailard's proprietary ESG Capture® methodology to seek out ESG leaders and avoid ESG laggards. We believe incorporating ESG factors in this way mitigates long-term risk in the portfolio. We also seek to avoid investments in fossil fuels, controversial weapons and a number of products that adversely affect women, girls, and disadvantaged communities. This Smart ESG strategy typically holds 35-45 American depository receipts (ADRs) on average, diversified across industry sectors.

Smart ESG US All Cap

The Bailard Smart ESG US All Cap strategy seeks to implement a robust ESG framework while maintaining a low tracking error to a broad market benchmark, the MSCI USA Investable Market Index (IMI). We utilize Bailard's proprietary ESG Capture® methodology to seek out ESG leaders and avoid ESG laggards. We believe incorporating ESG factors in this way mitigates long-term risk in the portfolio. We also avoid investments in fossil fuels, controversial weapons, and a number of products that adversely affect women, girls, and disadvantaged communities. The strategy invests

in 75 -100 stocks on average, diversified across industry sectors.

Micro Cap Value ESG Strategy

Our micro cap strategy focuses on a universe of U.S. micro cap stocks. Our strategy seeks to use insights from behavioral finance regarding the economically irrational behavior of investors. We apply our quantitative expertise to the management of this strategy. A variety of proprietary behavioral factor models are combined in an effort to determine which of the strategy's investable universe of several thousand stocks provides the best mispricing opportunities based on multiple behavioral finance factors. The highest ranked stocks are then scrutinized for qualitative behavioral anomalies. Our objective is to enhance the quality and reasonableness of the output of our stock selection models.

In addition, ESG Capture® is used as an investable universe screening tool. It helps us to identify companies that we view as having higher risk exposure to events like lawsuits, regulatory action or negative publicity due to either the nature of their business or how management conducts themselves. We employ other stringent risk controls in an effort to limit volatility and minimize unexpected outcomes. Economic cycle exposure is controlled by limiting economic sub-sector bets versus a client-specified benchmark. Stock specific risk is contained by holding a broadly diversified portfolio of 75 to 125 individual stocks.

Managing micro cap stocks requires astute trading expertise. We use a range of electronic platforms and systems to access crossing networks and dark pools of liquidity that do not publish quotes in the open market. Navigating through these different pools of liquidity can allow low volume stocks to be traded with reduced market impact. In addition, patient and flexible trading allows for the capturing of volume when it is available and allows for the ability to seek alternative stocks from the trade list when volume is scarce in a particular name.

Quality Growth

This strategy invests in high quality companies with superior sales and earnings growth rates. Stocks considered for these portfolios meet rigorous growth, quality, and valuation thresholds. Specifically, most companies we invest in have these characteristics: superior management track records, solid balance sheets and cash flow, sound accounting principles, extensive research and development, unique market niches and/or barriers to entry, and substantial unit growth. When these attributes are combined with a disciplined valuation methodology, we believe this approach will generate excess returns over time.

Because the accounts we manage are for taxable individuals or entities, we believe an average holding period of 3 to 5 years will minimize annual taxable gains and allow time for reinvestment of earnings in the businesses.

We seek to manage risk through diversification of holdings and economic sectors. Typically, we hold 45 to 60 positions in most but not all the 10 economic sectors as defined by MSCI.

Technology

Our technology strategy invests in the stocks of firms that predominately use technology to drive their businesses, with exposure primarily to the information technology sector and, to a lesser extent, such broad economic sectors as telecommunications, industrials and consumer discretionary.

The investment process combines fundamental and quantitative analysis, careful portfolio construction and disciplined risk management to create a broadly diversified portfolio of stocks across several industries, primarily within the information technology sector. Our stock selection model

focuses on measures of value, earnings and revenue growth, earnings quality, expectations of future growth and momentum to identify attractive investment candidates. In addition, our fundamental stock selection process attempts to identify those companies with high or increasing levels of market concentration, accelerating long-term revenue growth and a pipeline of innovation.

We seek to limit industry specific risk by diversifying our technology exposure to the major industry groups within the sector.

Technology and Science

Our technology and science strategy seeks to provide investors with exposure primarily to the information technology sector and, to a lesser extent, other broad economic sectors including, but not limited to, healthcare, telecommunications, industrials and consumer discretionary.

The investment process combines fundamental and quantitative analysis, careful portfolio construction and disciplined risk management to create a broadly diversified portfolio of stocks across several industries, primarily within the information technology and healthcare sectors. Our stock selection model focuses on measures of value, earnings and revenue growth, earnings quality, expectations of future growth and momentum to identify attractive investment candidates. In addition, our fundamental stock selection process attempts to identify those companies with high or increasing levels of market concentration, accelerating long-term revenue growth and a pipeline of innovation.

We seek to limit industry specific risk by diversifying our technology exposure to all of the major industry groups within the sector.

FIXED INCOME STRATEGIES

Active Fixed Income Strategy

Bailard Asset Management's active fixed income strategy uses a top-down investment process to determine our economic and interest rate outlook. We focus on interest rate volatility, yield curve movements and credit trends in developing optimal investment strategies. We rigorously analyze risk at every juncture of the investment process. For taxable accounts, our strategy is to construct high-quality national or state concentrated portfolios with intermediate duration targets in an effort to produce a competitive level of after-tax income while preserving principal. We incorporate tax, accounting, and regulatory concerns in the portfolio construction process. For tax-exempt accounts, our strategy is to construct diversified portfolios using bond exchange traded funds (ETFs) as well as corporate, Treasury, agency, taxable municipals and other individual bonds. We focus on holding large and liquid bond issuers and use a variety of methods to ensure credits meet our quality criteria.

We seek to manage risk through diversification and evaluating portfolio returns under different economic and interest rate scenarios to manage the risk of loss. We also limit duration and yield curve deviations relative to benchmarks.

Laddered Bond Strategy

We construct largely passive bond ladder portfolios by staggering maturity dates relatively evenly across the maturity spectrum. For exempt accounts we construct corporate and taxable municipal bond ladders from 1-12 years, and for taxable accounts we construct municipal ladders from 1-18 years. Additionally, we use a top-down analysis of the interest rate cycle in conjunction with an analysis of corporate and municipal bond market valuations to emphasize sectors and maturities at point of purchase that we believe will benefit the account. We will occasionally utilize liquid, low fee exchange-traded bond funds at account inception and to invest residual cash. We diversify among bond sectors, paying attention to liquidity considerations and monitoring the credit quality

of the issuers held.

ALTERNATIVE INVESTMENT STRATEGIES

Technology Opportunities Strategy

The Bailard Technology Opportunities strategy invests primarily in small and mid-cap technology companies. It is a concentrated portfolio of our highest conviction ideas in disruptive, high growth technology companies deploying next generation of products and services that we believe have the capacity to revolutionize industries worldwide.

The target investments are companies that we believe demonstrate rapid product adoption with large addressable markets and have expertise in management and operational efficiency. The strategy additionally seeks to exploit alpha opportunities by selling short positions in disrupted or maturing technology companies.

Real Estate Diversified Core Investment Strategy

Bailard brings over 40 years of specialized experience to the execution of its real estate investment strategy. Bailard seeks to build diversified portfolios of direct real estate that combine stabilized, core properties with assets going through the value-add phase of their life-cycle. Bailard's real estate team proactively seeks to tailor its strategy to create an ideal blend between steady/sustainable income and strong potential for capital appreciation.

This real estate investment strategy strives to uphold the following principles:

- Own only quality assets (location, material, design, tenancy and amenities) that will stand the test of time
- Build at or buy below replacement cost
- Add value through active asset management
- Align with best-in-class local operators and service providers
- Identify and continually monitor multiple exit strategies

Bailard believes that there are opportunities for nimble, active investors to buy, create and capture value at all points of the investment cycle. Bailard's approach offers the potential for both income and growth, where a large component of stabilized core assets offers the potential to generate a strong and durable income stream while a value-add acquisition focus – with active asset and portfolio management – provides the prospect for capital appreciation. Bailard endeavors to maintain agility and discipline to reposition properties and portfolios through prudent investments and divestments and to optimize the mix of markets and properties.

Bailard employs a top-down/bottom-up investment process designed to identify attractive opportunities and exploit mispricing across property types and geographic regions. The strategy invests in properties that can be characterized as value-add or opportunistic and converts them to Core. After repositioning, Bailard holds assets deemed to have further appreciation potential and sells those properties that it believes have greater downside risk than upside potential. Portfolios are diversified by property type, geography, life cycle and economic drivers in an effort to mitigate risk and enhance return. Bailard generally seeks to leverage its real estate efficiently but modestly, with the goal of a less than 35% aggregate loan to value ratio. Due to the illiquid nature of direct real estate, this strategy comes with risks associated with illiquidity.

Multifamily Residential Real Estate Strategy

The multifamily residential real estate strategy pursues the development of multifamily real estate

investments throughout the United States, with a secondary focus on existing value-add opportunities. This is to be accomplished through the acquisition or funding of ownership interests in individual real estate assets, multi-property portfolios, joint ventures, real estate operating companies, and related investments.

General Real Estate Considerations. The investment objective of the Fund is to invest in multifamily residential development projects and properties through a variety of structures. Multifamily residential property investments are subject to varying degrees of risk. The yields available from equity investments in real estate depend in large part on the amount of income generated and expenses incurred. If the investments do not generate revenues sufficient to meet operating expenses, debt service, capital improvements, and other expenditures, the Fund may be required to borrow additional amounts to cover fixed costs, and the cash flow of the Fund and its ability to make distributions to Partners may be adversely affected. Although the Fund will be investing in a range of investments, all real estate investments are speculative in nature and the possibility of partial or total loss of capital exists. Investors should not subscribe to or invest in the Fund unless they can readily bear the consequences of such loss. Fund revenues and the value of its properties are affected by a number of factors including: (i) changes in the general economic climate; (ii) local conditions (such as an oversupply of apartment units or a reduction in demand for apartment units); (iii) the quality and philosophy of management; (iv) competition based on rental rates; (v) attractiveness and location of the properties and changes in the relative popularity of property types and locations; (vi) financial condition of tenants, buyers, and sellers of properties; (vii) quality of maintenance, insurance, and property management services; (viii) changes in operating costs and expenses; (ix) changes in interest rates and the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable; (x) uninsured losses or delays from casualties or condemnation; (xi) government regulations (including those governing usage, rent control, improvements, zoning, and taxes); (xii) potential liability under changing environmental and other laws; (xiii) structural or property level latent defects; (xiv) changes in tax, zoning, building, environmental, and other applicable laws, rules, and regulations; (xv) acts of God, acts of war (declared or undeclared), or terrorist acts; (xvi) work stoppages, shortages of labor, strikes, union relations and contracts, fluctuating prices and supply of labor, and or other labor-related factors; and (xvii) other factors beyond the control of the General Partner, the Fund and their respective affiliates. Investments in existing entities (e.g., buying out a distressed partner or acquiring an interest in an entity that owns real property) could also create risks of successor liability.

Difficulty of Locating Suitable Investments. Although Bailard's professionals have been successful in identifying and closing on suitable investments in the past, the Fund may be unable to find a sufficient number of attractive opportunities to meet its investment objectives. The activity of identifying, evaluating, completing, bringing to fruition and, ultimately, realizing attractive returns from real property investments is highly competitive and involves a high degree of uncertainty. The Fund will be competing for investments with other real estate investment vehicles, as well as individuals, publicly traded apartment REITs, financial institutions (such as banks, insurance companies, and pension funds), and other institutional investors. Further, over the past several years many consolidations among real estate investment funds and publicly traded REITs have occurred (resulting in larger funds and REITs). Additional funds and REITs with similar investment objectives may be formed in the future by other unrelated parties and further consolidations may occur. The success of the Fund will depend on the ability of the professionals of Bailard and General Partner to identify suitable investments, to negotiate and arrange the closing of appropriate transactions and to consummate the timely disposition of a sufficient number of suitable investments. There can be no assurance that the Fund will be able to locate, complete, and exit investments that satisfy the Fund's rate of return objectives, or realize upon their values, or that the Fund will be able to fully invest all funds committed for investment by the Partners.

Unspecified Transactions. Investors will be relying on the ability of the General Partner and Manager to identify and evaluate the Investments to be made by the Fund. The business of identifying, structuring, and completing real estate investments and real estate-related transactions is highly competitive and involves a high degree of uncertainty. It is possible that the Fund will never be fully invested if enough sufficiently attractive investments are not identified. However, Limited Partners will be required to bear Management Fees during the Investment Period based on the entire amount of the Limited Partners' Capital Commitments and other expenses as set forth in the Fund Agreement. In addition, because the Fund's Investments may occur over a substantial period of time, the Fund faces the risks of changes in long-term interest rates and adverse changes in the real estate markets. Even if the Investments of the Fund are successful, the returns may not be realized by the Partners for a period of several years.

Risks Associated With Acquisition. The Fund may acquire existing properties to the extent that they can be acquired on advantageous terms and meet certain investment criteria. Acquisitions of such properties entail general investment risk associated with any real estate investment, including the risk that Investments will fail to perform in accordance with expectations or the estimates of the costs of improvements to bring an acquired property up to the standards of the Fund may prove inaccurate.

Speculative Nature of Investments. Although the Fund will be investing in a range of multifamily property Investments, all real estate investments are speculative in nature and the possibility of partial or total loss of capital will exist. Investors should not subscribe to or invest in the Fund unless they can readily bear the consequences of such loss.

Lack of Liquidity of Investments. The Investments to be made by the Fund are likely to be illiquid. Illiquidity may result from the absence of an established market for the Investments, as well as legal, contractual, or other restrictions on their resale by the Fund. Dispositions of Investments may be subject to contractual and other limitations on transfer (including prepayment penalties with respect to property-level debt) or other restrictions that would interfere with subsequent sales of such Investments or adversely affect the terms that could be obtained upon any disposition thereof. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful Investments may be realized before gains on successful Investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an Investment. While an Investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial funding. Before such time, there may be no current return on the Investment. Furthermore, the expenses of operating the Fund (including the Management Fee payable to Bailard) may exceed its income, thereby requiring that the difference be paid from the Fund's capital, including, without limitation, unfunded Capital Commitments.

C. Summary of Certain Risks

Investing in securities involves risk of loss that clients and investors in the Bailard pooled vehicles should be prepared to bear. We create diversified portfolios with the goal of moderating some of these risks but can make no assurances that our clients or investors will not suffer losses. There can be no assurance that Bailard will meet its investment objectives.

The following is a brief summary of certain of the more significant risks associated with Bailard's investment strategies. For the Bailard pooled vehicles, please see the offering memorandum or equivalent offering document for a more detailed description of the principal risks associated with the investment strategies as well as other risks associated with an investment in each fund.

General Risks

Investments selected directly by Bailard may decline in value for any number of reasons, including

changes in the overall market for equity and/or debt securities, and factors pertaining to particular portfolio securities, such as management, the market for the issuer's products or services, sources of supply, technological changes within the issuer's industry, and the availability of additional capital and labor. In addition, our investments may be affected by general market conditions such as changes in sentiment, interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including tax laws), developments in governmental regulation, national and international political events, and public health emergencies. Real estate is also subject to the risk of changes in property supply and demand. These factors may cause unexpected volatility or even illiquidity and can result in losses. The value of our clients' investments will fluctuate. There is no assurance that Bailard will achieve any client's investment objective.

Custody Risk

Bailard is required to maintain certain client assets at a qualified custodian. Clients may experience a loss on securities and funds held in custody in the event of a custodian's or sub-custodian's insolvency, negligence, fraud, poor administration, or inadequate recordkeeping. Custodial assets maintained at a bank do not typically become part of a failed bank's estate; however, our operations could be impacted by the bank's insolvency in that there may be a delay in trade settlement, delivery of securities, or other similar circumstance. Establishing multiple custodial relationships could mitigate custodial risk in the event of a bank failure.

Bank Deposits Risk

Deposits maintained at a Federal Deposit Insurance Corporation ("FDIC") insured bank are covered up to \$250,000 per depositor, per insured bank, for each account ownership category, in the event of a bank failure. Any deposits over \$250,000 in cash at a single bank may be lost in the event that the bank fails. Further diversifying banking relationships could serve to minimize the potential uncertainty and destabilizing effect on our operations due to concern regarding the financial viability of a single banking institution. In addition, valuation of companies may experience significant price declines, volatility, and liquidity concerns as a result of short- and long-term financing to continue operations at normal levels.

Foreign Investment Risk

In addition to the possible loss of investment value due to general market price movements, international investments might suffer losses due to unfavorable exchange rate movements or economic and/or political instability in foreign countries. In some cases, financial statement information might not be readily available or might not be reliable for certain foreign markets. International accounting standards might be different from U.S. accounting standards, and financial data might be subject to misinterpretation. Trading in international markets can be more expensive than trading in domestic markets. Stock markets of certain foreign countries, particularly emerging and frontier markets, may be illiquid, and settlements can be delayed. Emerging and frontier markets have greater risks and can have higher transaction costs than their developed market counterparts.

Inflation Risk

Inflation could affect clients' investments adversely in a number of ways. During periods of rising inflation, interest and dividend rates of any instruments a client or entities related to portfolio investments could increase, which would tend to reduce returns to investors in the Clients. Inflationary expectations or periods of rising inflation could also be accompanied by the rising prices of commodities. During periods of high inflation, capital could flee to other asset classes, which could adversely affect the prices at which a client is able to sell its investments. The market value of such investments can decline in value in times of higher inflation rates.

Liquidity Risk

Investments in small and micro-cap global equities may be illiquid or hard to value. Investments in real estate can be illiquid, and investors should not include these investments in their liquid pool of assets.

Credit Risk

Fixed income investors are exposed to an issuer's ability to make the interest and principal payments that it is obligated to deliver. Credit risk refers to the risk that an issuer might not be able to meet its obligations, thereby defaulting on its debt. The risk of a default could lead to loss of principal and interest.

Interest Rate Risk

Investments in fixed income and certain other instruments can lose value due to changes in interest rates. The value of these investments is generally inversely proportional to interest rates, meaning they will lose value in a rising interest rate environment.

Investment Style Risk

Investments in a particular style may underperform other styles of investing or the overall market. Exposure to these types of investments can lead to underperformance.

Size Risk

Investments across various market capitalizations might result in underperformance compared to the overall market. Investments in small and micro cap stocks might be illiquid and more expensive to trade.

Sector Risk

Investments in one particular sector are not considered to be diversified and should not be treated as a complete investment program. Individual sector investments can be more volatile than a

Concentration Risk

The market risk and volatility to which a concentrated portfolio is exposed generally is greater than, and may be substantially greater than, the market risk and volatility of a diversified portfolio.

Environmental, Social and Governance Investing Risk

The application of various environmental, social and governance screens as part of a socially responsible investment strategy may result in the exclusion of securities that might otherwise merit investment, potentially resulting in lower returns than a similar investment strategy without such screens or other strategies that use a different methodology to exclude issuers or evaluate ESG criteria. Investors can differ in their views of what constitutes positive or negative ESG characteristics. As a result, the strategy may invest in issuers that do not reflect the ESG beliefs and values of any particular investor.

Adherence with strategy's ESG criteria is determined at the date of purchase. Individual equity holdings in the strategy may cease to meet the relevant ESG criteria after the initial purchase but may nevertheless remain in the strategy until a future review or rebalance by the Bailard. In addition, individual account management and construction, which vary depending on each client's investment needs and objectives, including liquidity needs, tax situation, risk tolerance, and investment restrictions, may result in the holding of securities that would not otherwise have been selected under the strategy. As a result, certain securities in the strategy or the client's account as a

whole, may not meet the strategy's ESG criteria and goals at all times.

In evaluating a security or issuer based on ESG criteria, we are dependent upon certain information and data from third party providers of ESG research, which may be incomplete, inaccurate or unavailable. As a result, there is a risk that we may incorrectly assess a security or issuer. There is also a risk that we may not apply the relevant ESG criteria correctly or that the strategy could have indirect exposure to issuers that do not meet the relevant ESG criteria used by the strategy. We do not make any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of such ESG assessment. There may be limitations with respect to availability of ESG data in certain sectors, as well as limited availability of investments with positive ESG assessments in certain sectors. Our evaluation of ESG criteria is subjective and may change over time.

Exchange Traded Funds (ETFs) Risks

ETFs charge their own internal fees and expenses. Investments in these instruments will bear additional costs such as duplicative management fees, brokerage commissions and other related charges. In addition, from time to time, there might be a significant discrepancy between the net asset value of the underlying investment and the price at which the ETF trades on an exchange. In some circumstances, ETFs can be thinly traded and less liquid.

Publicly Traded REITs (Public REITs) Risks

Public REITs must meet certain regulatory requirements to qualify for favorable tax treatment. From time to time, there might be a significant discrepancy between the net asset value of the underlying real estate investments and the price at which the Public REIT trades on an exchange.

Short Selling Risk

A short sale theoretically involves the risk of unlimited loss; the price at which a position might have to be covered could rise without limit. There can be no assurance that investors will not experience losses on short positions, and there can be no assurance that long positions would appreciate enough in value to offset the loss on the short positions.

Technology-Related Investment Risks

Since technology is present across the global economy, investment opportunities can occur across all traditionally defined industries, including but not limited to: internet, software, media, entertainment, financials, retail, consumer devices, services, transportation, telecommunications, hardware, and semiconductors. These industries are characterized by short product cycles, declining prices, significant competition from new companies, patent infringement and other intellectual property violations, and product and technology failures and obsolescence. In addition, companies within the technology industry can be adversely affected by failure to originate or develop new technology, failure to develop distribution and sales channels, failure to obtain or protect patent, trade secret or other intellectual property rights. Some companies dependent on information technology can be significantly affected by internet failures, denial of services attacks, malicious software, computer virus outbreaks and other performance interruptions.

Neither Bailard nor the companies in which it invests have any significant control over the rate of technological developments. Among other things, a company may fail to acquire or develop necessary technology, it may acquire the rights to or develop a technology that is rendered obsolete by other technological developments, or its product or service may not prove to be commercially successful.

Technology-related companies are subject to increasing governmental regulation and scrutiny. For example, some large internet-related companies have recently come under significant scrutiny

in the U.S., China and elsewhere with respect to concerns over privacy, antitrust and national security, and have also become subject to political pressure to further political, social or strategic objectives. Changes in governmental policies, government regulatory actions and the need for regulatory approvals may have a material adverse effect on those industries. For these and other reasons specific to particular industries and companies, the securities of technology-dependent companies tend to be substantially more volatile than the rest of the market.

Changes in Government Regulations, Incentives and Tariffs

The Partnership is likely to invest in companies that will be affected (either positively or negatively) by governmental incentives, regulations and tariffs. Such incentives and regulations could, for example, enhance or support such companies' products and services, support their suppliers' or customers' products or services, or suppress their competitors. Tariffs imposed by the U.S. or other countries or other jurisdictions can materially adversely affect individual companies or entire industries. Tax credits for certain types of products, such as alternative energy technology, clean technology or energy saving investments may support demand for such products and services that otherwise would be much lower. In any of these cases, the termination of governmental incentives or changes in tariffs or governmental regulations may adversely affect such companies more significantly than companies that do not rely on such regulations or incentives to support their business. Some companies may fail as a result of changes in such tariffs, incentives and regulations, and the Investment Manager may fail to anticipate the political or regulatory factors leading up to such changes.

Risks in Investing in Consumer-Oriented Companies

Consumer-oriented companies that are dependent on information technology are subject to general economic conditions and their impact on levels of consumer spending. Some of the factors influencing consumer spending include fluctuating interest rates and credit availability, fluctuating fuel and other energy costs, fluctuating commodity prices, higher levels of unemployment, higher consumer debt levels, reductions in net worth based on market declines, home foreclosures and reductions in home values, and general uncertainty regarding the overall future economic environment. Consumer purchases of discretionary items generally decline during periods when disposable income is adversely affected or there is economic uncertainty. If the Investment Manager does not accurately predict such conditions, the Partnership's performance will be adversely affected.

Valuation Risk

In order to value the assets and liabilities of Bailard's pooled vehicles and accounts managed by Bailard, Bailard may rely on information provided by employees or outside parties. To the extent the information received by Bailard is inaccurate or unreliable, the valuation of account assets and liabilities will be inaccurate. Real estate is subject to the risk of inexact valuations. Appraised values tend to lag market developments.

Counterparty Risk

The assets and liabilities of funds and accounts managed by Bailard are held by brokers and other custodians and counterparties. There is a risk that any of such counterparties could become insolvent and/or be subject to insolvency proceedings. Such insolvency would impair the liquidity and operational capabilities of the affected fund or account.

Derivatives Risk

Trading and investing in derivatives can be highly speculative and can entail risks that are greater than the risks of investing directly in securities or other assets. Prices of equity derivatives are generally more volatile than the rates, indices or asset prices on which they are based.

Leverage Risk

The use of leverage, or borrowing, has the potential to increase the potential return and risk of an investment. If an investment goes up in value, the presence of leverage creates a positive outcome in that the leveraged return to the investor is greater than the unleveraged return. The opposite is true if the investment goes down in value. The presence of leverage in the latter case exacerbates the negative outcome for the investor.

Community Investment Risk

Promissory notes issued by loan funds and non-profit organizations typically involve an uncollateralized and uninsured promise to pay. The issuer is only obligated to repay the principal at maturity with interest payable at stated times, although the issuer may also make a “best efforts” offer to redeem at par prior to maturity upon an investor’s request. The promissory notes are not securities registered with the Securities and Exchange Commission and rating agencies do not normally rate them. They are illiquid, do not trade on an open market and are not considered investment grade securities. The interest rates they carry are typically below market rates although they may be competitive with short-term instruments. Accordingly, you should not expect these promissory notes to generate returns that are competitive with equities or other long-term debt investments.

Absent any indication that the issuer may have difficulty fulfilling its redemption obligations, Bailard will typically fair value these notes at “par,” the original amount of the loan made to the organization. Bailard does not adjust the stated value of the note to reflect risk, duration and relationship to market interest rates.

Business, Terrorism and Catastrophe Risks

These are the risks of loss that may be incurred, indirectly, due to the occurrence of various events, including hurricanes, earthquakes and other natural disasters, terrorism and other catastrophic events such as a pandemic. These catastrophic risks of loss can be substantial and could have a material adverse effect on Bailard’s business and on clients’ portfolios, including investment made by Bailard.

Bailard relies heavily on its service providers (including administrators and custodians) and on internal and third-party computer hardware and software, online services, data feeds, trading platforms, and other technology. The occurrence of a cyberattack, a natural catastrophe, a pandemic, an industrial accident, a terrorist attack or war, public service or utility disruptions (such as those caused by fires, floods, earthquakes, market trading halts, systems failures and other extraordinary event), events unanticipated in Bailard’s disaster recovery systems, or a support failure from external providers, could have an adverse effect on the ability of Bailard to conduct business and on their operations and financial condition, particularly if those events affect Bailard’s computer-based data processing, transmission, storage, and retrieval systems, or if these events destroy data. If a significant number of Bailard’s employees were unavailable in the event of a disaster, Bailard’s ability to effectively conduct business could be severely compromised.

Complexity Risks

Bailard’s systems and operations are dynamic and complex. Certain of its operations interface with and depend on data and other systems operated by third parties, including prime brokers, administrators, market counterparties and their sub-custodians and other service providers, and Bailard may not be able to quantify the risks or verify the reliability of such third-party systems. Certain operational risks may be intrinsic to Bailard’s operations and may impact its financial, accounting or data processing or other systems. Periods of market dislocation or abrupt regulatory change may exacerbate operational risk. The failure of one or more systems or operations or the

inability of those systems or operations to meet clients' evolving demands could have a material adverse effect on the clients.

Public Health Emergencies: COVID-19

Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola, and the current outbreak of COVID-19, have and are resulting in market volatility and disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Fund. The ultimate impact of COVID-19—and the resulting precipitous decline in economic and commercial activity across almost all of the world's largest economies—on global economic conditions, and on the operations, financial condition, and performance of any particular industry or business, is impossible to predict. This ongoing COVID-19 crisis and any other public health emergency could have an adverse impact and result in significant losses to the Fund. The extent of the impact on the Fund's and its Investments' operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital.

Cybersecurity Risk

Bailard, its service providers and its counterparties rely on computer systems to conduct their businesses. There is a risk these systems might be compromised by cyberattacks despite the efforts of Bailard, its service providers and its counterparties to safeguard them. Depending upon its scope, a successful cyberattack could impede these entities' ability to conduct their businesses. There is also a risk that identity theft could be used to fraudulently withdraw funds from clients' accounts.

There can be no guarantee that Bailard will be successful in fending off cybersecurity attacks from viruses, malware, computer hackers or other malicious corruption of their information technology systems. Cybersecurity breaches of the systems of Bailard and any of its Affiliates or any of its service providers (including accountants, custodians, transfer agents and administrators) may cause disruptions to business operations, cause losses due to theft or other reasons, interfere with net asset value calculations, impede trading, or lead to violations of applicable privacy and other laws, regulatory fines and penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Bailard and its affiliates cannot control the cybersecurity plans and systems put in place by their service providers. Any cybersecurity breach could materially and adversely affect Bailard.

Electronic Trading Risks

Bailard frequently places client trades electronically. If an electronic trading system or component fails, it may not be possible to enter new orders, execute existing orders or modify or cancel orders, and order priority may be lost and may cause material losses to portfolios.

The above listed risk disclaimers are not designed to be exhaustive but are intended to give investors a sense of the various factors that should be considered when making investment decisions.

ITEM 9 – DISCIPLINARY INFORMATION

Bailard does not have any legal or disciplinary events to disclose.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Pooled Vehicles

Bailard Asset Management currently manages the following affiliated pooled vehicles:

1. The Real Estate Fund
2. The EOF

In addition, as previously noted, as of the date of this Brochure, Bailard is in the process of launching the Multifamily Fund.

See Item 5 – Fees and Compensation for information about the fees charged by these funds.

Bailard affiliates also serve as the general partner for affiliated pooled vehicles. Bailard General Partners I, Inc. is the general partner of the EOF. Bailard Real Estate 2022 GP LLC is the general partner of the Multifamily Fund.

For more information about the potential of a conflict of interest regarding Bailard's pooled vehicles, please see Item 11.

ITEM 11 – CODE OF ETHICS, PERSONAL TRADING, AND PARTICIPATION IN CLIENT TRANSACTIONS

A. Code of Ethics and Personal Trading Policy

Bailard has adopted a Code of Ethics and Business Conduct (the "Code") that is applicable to all employees. The Code and the other policies and procedures on insider trading, personal trading, gifts & entertainment, and political contributions are designed to, among other things:

- Establish guidelines for professional conduct;
- Ensure our clients' interests are considered first;
- Prevent improper use of material, non-public information; and
- Prevent improper personal trading by Bailard's Access Persons;

Our Personal Securities Trading Policy requires Bailard's Access Persons to, among other things, file initial and annual holdings reports, file quarterly transaction reports, preclear certain trades, and submit an annual attestation of compliance with the Compliance Manual and the Code. Bailard's Access Persons are prohibited from investing in certain types of assets. The personal trading restrictions, preclearance and reporting requirements also apply to employees' family members living in the same household. Our Compliance team monitors employee trading to check that employees do not engage in improper transactions.

Under our Gifts & Entertainment Policy, employees are not permitted to solicit or accept from, or to give, gifts from clients, brokers or vendors that are extravagant or extraordinary. However, customary business meals and entertainment are permitted.

Bailard reviews the Code, the Personal Trading Policy, and other policies and procedures with new employees and provides periodic training to existing employees.

An employee who fails to observe the requirements of the Code and/or other policies and procedures in the Compliance Manual is subject to potential remedial action. Bailard will determine on a case-by-case basis what remedial action should be taken in response to any violation.

Bailard has established a foundation (the Bailard Foundation) to make charitable donations and community impact investments. Initial capital for the Bailard Foundation was provided by Bailard and certain of its employees and directors. The Bailard Foundation has a board of directors that is led by chairperson Terri Bailard, widow of founder Tom Bailard, and is composed of both friends of Bailard, Inc., and employees. The Bailard Foundation and certain Bailard employees make charitable donations to certain charities that are either clients or which are associated with certain clients. In general, such donations are made in response to requests from clients or their personnel. Because such contributions may result in the recommendation of our firm or our services, such contributions may raise a potential conflict of interest. All contributions are made directly to the charitable organization (normally a 501(c)(3) organization). No contribution will be made if the contribution implies that continued or future business with our firm or our supervised person depends on making such contribution.

A Bailard client or prospective client can obtain a copy of Bailard's Code by sending a request to compliance@bailard.com.

B. Recommendations to Invest in Related Securities

After conducting appropriate due diligence, Bailard may recommend that certain clients invest in one or more of the following securities:

1. Mutual funds for which Bailard is the sub-adviser and receives a sub-advisory and fiduciary fulfillment fee.
2. Affiliated pooled vehicles to which Bailard serves as investment manager and, in one case, where an affiliate of Bailard serves as general partner. These pooled vehicles pay Bailard an investment management fee and, some cases, the pooled vehicle pays a Bailard affiliate a Performance Fee. In addition, please see Item 5 – Fees and Compensation, for a description of the operations management fee that the Real Estate Fund pays to Bailard.

When an investment adviser recommends that its clients invest in securities for which it or an affiliate receives compensation, the investment adviser could be motivated to make a recommendation even when it is not appropriate for the client under the investment adviser's fiduciary standard of care. Our objective is to make recommendations that are in the best interests of our clients.

Bailard Wealth Management clients who invest in the Nationwide Bailard Funds and/or in the Real Estate Fund are credited their pro-rata share of the investment management fees paid to Bailard by these investment vehicles. In addition, a client's investment in the EOF or the Multifamily Fund is not included in the assets on which the client's advisory fee billing is based, except for the purpose of calculating minimum annual fees and fee break points, where relevant. (See Item 5 – Fees and Compensation, for more information.)

C. Employee Investments in Related Securities

A number of Bailard employees invest in affiliated pooled vehicles that Bailard recommends and purchases for clients. The same price must be paid by employees and clients for transactions occurring in the same funds at the same time. In addition, employees may invest in an affiliated pooled vehicle only after clients have been offered the chance to invest and interests remain available.

Bailard employees also invest in the Nationwide Bailard Funds.

D. Employee Investment Advisory Clients

A number of Bailard employees are Bailard clients, and their portfolios pursue the same investment management strategies and invest in the same type of investment securities as other Bailard clients. Like other clients, their portfolio trades are subject to Bailard's trade aggregation and allocation policies and procedures (described under Item 12 – Brokerage Practices).

E. Employees' Management of Relatives' Portfolios

Certain Bailard employees manage the portfolios of their relatives who are Bailard clients. Bailard reviews the relative performance of these clients' investment management account(s) as part of a quarterly asset allocation/performance review of Bailard Wealth Management accounts and as part of its compliance testing.

F. Bailard Investments in Securities Recommended to Clients

From time to time, Bailard and some of its affiliates may buy or sell for themselves securities that Bailard also recommends to its clients. This typically happens when:

Bailard or its affiliates invest in interests of affiliated pooled vehicles that Bailard recommends to certain of its clients; or

Bailard or its affiliates buy and sell securities in a portfolio for a new strategy to test certain investment strategies before making those strategies available to its clients.

Bailard has adopted Side by Side Management policies and procedures to monitor that its clients' accounts are not adversely affected by this investing.

G. Certain Other Potential Conflicts

Trading in Client Accounts

From time to time, Bailard buys, sells, or sells short the same securities in different client accounts and in our own proprietary accounts (including those of certain affiliates). These trades may occur in the same direction (that is buying the same security in all affected accounts, selling the same security in all affected accounts or selling short the same securities in all affected accounts). These trades may also occur in opposite directions (that is buying the same security in one account (or accounts) while selling it or selling it short in other account(s) or vice versa). We can buy, sell or sell short the same security in different client accounts and in our proprietary accounts as long as the trades: (i) are consistent with the investment strategy for each account; and (ii) do not systematically favor or disadvantage one account or class of accounts over another.

The same Bailard employee can serve as the portfolio manager of accounts with different investment strategies (including competing investment strategies) as long as all such accounts are treated fairly and equitably.

Bailard can give advice to, and take action on behalf of, any of our clients that differs from that of other clients so long as it is consistent with the client's investment policy, and it is our policy, to the extent practicable, to allocate investment opportunities among our clients fairly and equitably over time. Bailard has adopted side-by-side management, trade allocation, IPO investment and allocation, and real estate deal allocation/portfolio rotation policies and procedures to help address conflicts of interests.

Certain Bailard employees have managed or currently manage the accounts of clients who are

their relatives. Bailard reviews the relative performance of these clients' investment management account(s) as part of a quarterly asset allocation/performance review of Bailard Wealth Management accounts and as part of its compliance testing.

Client Firm Activities

Certain of Bailard's investment advisory clients serve on the Board of Directors of BB&K Holdings, Inc. (Bailard's parent company). These clients are compensated for this service. A small number of clients also own shares of BB&K Holdings, Inc. stock. Certain Bailard clients (some of whom are also investors in the Real Estate Fund and/or the EOF) are currently loaning money to BB&K Holdings, Inc. and have access to certain of Bailard's financial records that are not generally available to other clients. This arrangement creates a potential incentive for Bailard to give these clients preferential treatment. To address this conflict of interest, Bailard reviews the relative performance of these clients' investment management account(s) as part of a quarterly asset allocation/performance review of Bailard Wealth Management accounts and as part of its compliance testing.

Retirement Plan Rollovers

A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences).

If Bailard recommends that a client roll over their retirement plan assets into an account to be managed by Bailard, such a recommendation creates a potential conflict of interest since Bailard will earn additional advisory fee as a result of the rollover. No client is under any obligation to roll over retirement plan assets to an account managed by Bailard.

ITEM 12 – BROKERAGE PRACTICES

A. General

In the absence of specific written instructions to the contrary from a client, Bailard generally has complete discretion with respect to transactions in client accounts without any limitations on its authority. This discretion includes the authority to effect portfolio transactions through accounts with broker-dealers selected by Bailard and to negotiate rates of commissions, commission equivalents and other transaction-related charges ("commissions") to be paid.

In selecting broker-dealers to effect portfolio transactions for clients, Bailard seeks best execution. We are not required to select the broker-dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers. Best execution means the most favorable terms for a transaction based on all relevant factors. In seeking best execution, we take into consideration a wide range of criteria, including the broker's commission rate, execution capability, positioning and distribution capabilities; research and brokerage services; back-office efficiency, clearance and settlement capabilities; order-entry systems and order execution reporting; attendant services for clients; ability to handle difficult trades; financial stability; and prior performance in serving Bailard and its clients. When circumstances relating to a proposed transaction indicate that a particular broker is in a position to obtain the best execution, the order is placed with that broker. This may be a broker-dealer which has provided research or brokerage services to Bailard. Bailard is not affiliated with any broker-dealers or custodians.

Participation in Institutional Custody/Brokerage Programs

Bailard participates in two institutional custody and brokerage programs (the “Programs”) sponsored by Schwab and TD Ameritrade Institutional (“TD Ameritrade”) (the “sponsoring firms”), which are in the process of merging as a result of Schwab’s acquisition of TD Ameritrade Holding, Corp. The services offered by these programs include custody of securities, trade execution, clearance and settlement of transactions, and account reporting. Schwab and TD Ameritrade are discount brokers independent of and unaffiliated with Bailard, and there is no employee or agency relationship between Bailard and either of these two firms. Schwab and TD Ameritrade do not supervise Bailard and have no responsibility for Bailard’s management of client portfolios or Bailard’s other advice or services.

Bailard generally recommends that non-institutional clients custody their assets and direct their trades through the sponsoring firms. However, Bailard takes into account a broker-dealer’s capability of providing best execution under the broad criteria described above in determining whether to recommend any such Institutional Custody/Brokerage Program. There is no direct link between Bailard’s participation in an Institutional Custody/Brokerage Program and the investment advice it gives to its clients.

While Bailard recommends the sponsoring firms, clients will decide whether to do so and will open their account with the custodian by entering into an account agreement directly with them. Conflicts of interest associated with this arrangement are described below as well as in Item 14 (Client referrals and other compensation). Clients should consider these conflicts of interest when selecting their custodian.

By participating in these Programs, Bailard receives economic benefits that are typically not available to retail investors who use the same broker-dealer. The Programs provide access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through the Programs include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients.

The Programs also make available to us other products and services that benefit us but do not directly benefit you or your account. They include access to investment research and technology that, among other things:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
 - Provide pricing and other market data
 - Facilitate payment of our fees from our clients’ accounts
 - Assist with recordkeeping

The Programs also offer other services including, among other things:

- Educational conferences and events
- Publications and conferences on practice management and business succession
- Marketing consulting and support

The Programs also provide us with other benefits, such as occasional business entertainment of our personnel. If clients did not maintain their accounts with the sponsoring firms, we would be required to pay for these services from our own resources.

The benefits we receive from the sponsoring firms are not contingent upon us committing any specific amount of business to the sponsoring firms in trading commissions or assets in custody. The fact that we receive these benefits from the sponsoring firms is an incentive for us to recommend the use of the sponsoring firms rather than making such decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We seek to mitigate this conflict by regularly monitoring and evaluating the execution and other services provided by the sponsoring firms. We believe that, taken in the aggregate, our recommendation of the sponsoring firms as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of the sponsoring firms' services and not the sponsoring firms' services that benefit only us.

Trading Away

The sponsoring firms generally do not charge clients separately for custody services but are compensated by charging clients commissions or other fees on trades that they execute or that settle into clients' accounts.⁵ Certain trades, e.g., ETFs, may not incur commissions or transaction fees. The sponsoring firms are also compensated by earning interest on the uninvested cash in clients' accounts. In addition, the sponsoring firms charge clients a flat dollar amount as a "prime broker" or "trade away" fee for each trade that Bailard has executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into the clients' accounts. These fees are in addition to the commissions or other compensation that clients pay the executing broker-dealer. Because of this, in order to minimize clients' trading costs, Bailard selects the sponsoring firms to execute most trades for client accounts custodied by such firms.

We may purchase individual fixed income securities from brokers other than the client's custodian. The determination to use third-party brokers is based on the bond availability, size of trade, lot size, bond issuer, highest bid received from broker versus current market value. Third-party fixed income brokers will be evaluated through a review of pricing schedule for trade commissions, services provided to both client and us, accuracy of execution and delivery of securities, and highest bid received for similar issues. Clients will incur trade-away fees in this situation. We review reasonableness for compensation of fixed income brokers by comparing not only the fees charged by third-party brokers to determine whether specific pricing is reasonable compared to the market for particular fixed income transactions but also additional factors such as likelihood of execution, liquidity, speed and accuracy.

B. Soft Dollars

Where more than one broker is believed to be capable of providing the best execution with respect to a particular portfolio transaction, Bailard periodically selects brokers that provide research or brokerage services to Bailard. Bailard also engages in commission sharing arrangements ("CSAs") in which commissions for trades executed by one broker are shared with another broker that provides research or brokerage services to Bailard. These arrangements sometimes include agreement(s) with CSA aggregation firm(s) that transfer soft dollar credits from commissions generated from a non-CSA broker to a CSA broker which in turn will use those credits to pay for qualifying research services. All of these practices can cause a client's account to pay an amount of commission to a broker greater than the amount another broker would have charged. In selecting such

⁵ Schwab charges an annual fee to report a client's unregistered pooled vehicle holding on the client's account statements.

broker, Bailard will make a good faith determination that the amount of commission is reasonable in relation to the value of the research and brokerage services received, viewed in terms of either the specific transaction or Bailard's overall responsibility to the accounts for which it exercises investment discretion. The receipt of research or brokerage services from any broker executing transactions for Bailard's clients does not result in a reduction of Bailard's customary and normal research activities. While the commissions for trades executed for Bailard Asset Management accounts generally generate soft dollar credits, those for Bailard Wealth Management accounts do not.

Bailard currently receives proprietary and third party research services in oral, hard copy, electronic, internet and software formats (for both the U.S. and foreign countries), which includes, without limitation, information relating to: (i) the economic outlook, the political environment, and demographic, social and other trends; (ii) macroeconomic, country, foreign exchange, industry and company specific information (including credit analysis); (iii) current fundamental and trading data for a broad universe of global equities; (iv) historic fundamental and trading data for a broad universe of global equities; (v) daily pricing services; (vi) electronic access to analyst research; (vii) meetings with research providers regarding industries and issuers; (viii) access to meetings and phone calls with company management and industry experts; (ix) data specific to earnings estimate revisions; (x) risk management tools; (xi) portfolio optimization tools; (xii) global risk models; (xiii) post trade transaction cost analysis services; and/or (xiv) research regarding the structure of markets, trading strategies and the availability of securities and buyers and sellers of securities.

Bailard also receives brokerage services such as data transmission lines and trade matching and allocation software used for settlement purposes.

Bailard intends that any use of soft dollars to pay for research and/or brokerage services fall within the safe harbor provided by Section 28(e) of the Securities and Exchange Act of 1934. Some of these research services are also used by Bailard for purposes that do not qualify for this safe harbor. For example, post trade transaction cost analysis services are used for compliance purposes (a non-qualifying purpose) as well as for assisting Bailard in the performance of its investment decision-making responsibilities. Bailard analyzes mixed-use services to make a reasonable allocation of their costs between qualifying and non-qualifying uses and directly pays for the non-qualifying portion of their costs.

The research and brokerage services received from brokers are used by Bailard to service accounts other than those that pay commissions to the broker-dealer providing the products or services. For example, it is expected that commissions attributable to clients of Bailard Asset Management will generate substantially more commission dollars than those attributable to accounts of clients of Bailard Wealth Management. Certain broker-dealers receiving commissions from Bailard clients provide Bailard with research and brokerage products or services which are used by Bailard to service other accounts of Bailard Wealth Management regardless of whether such accounts generated any of the brokerage commissions. Nevertheless, to the extent Wealth Management clients invest in affiliated pooled vehicles and mutual funds managed by Bailard Asset Management, these clients indirectly generate commission dollars and in turn indirectly benefit from the research and brokerage services purchased with these commissions.

From time to time, Bailard may receive unsolicited research from broker-dealers. However, it generally does not use this research.

In addition, as described in "Participation in Institutional Custody/Brokerage Programs" above and Item 14 – Client Referrals and Other Compensation below, Bailard receives benefits and executes trades for the client accounts through the broker-dealers that sponsor the Institutional Custody/Brokerage Programs. However, Bailard does not consider these benefits to be "soft dollar" benefits because the services are not provided in exchange for clients paying higher transaction commissions or fees than those obtainable from other brokers in return for similar services.

C. Directed Brokerage

Clients may instruct Bailard in managing their accounts to use one or more particular broker-dealers for brokerage services. Clients may benefit from such direction to use a broker-dealer that also serves as custodian of the client's assets because the custodian may waive certain of the costs associated with maintaining the portfolio if a sufficient number of securities transactions in the portfolio are effected by that custodian or one of its affiliates. Clients may specify whether a particular broker/dealer is to be used even though Bailard may be able to obtain a more favorable net price and execution from another broker-dealer in particular transactions. Clients who direct the use of a particular broker-dealer for transactions should understand that such direction may prevent Bailard from effectively negotiating brokerage compensation on their behalf, that best execution may not be achieved, and that a disparity in commission charges may exist relative to the commissions charged to other clients. In addition, Bailard typically is not able to aggregate these clients' orders with those of other clients. Priority in trading activity is normally given to block trades which are aggregated for the benefit of numerous discretionary client accounts that are not wrap accounts and that are not subject to directed brokerage instructions. Directed brokerage instructions may result in orders being placed for relatively small amounts of securities that do not allow for trading on a more favorable aggregate basis. Clients are encouraged to consult with Bailard in connection with non-discretionary or directed brokerage arrangements, because discretionary non-directed trading authority to the adviser may, in various circumstances, be a more cost effective and efficient alternative to be considered.

D. Allocation of Brokerage

Bailard has not made and will not make commitments to place orders with any particular broker or dealer or group of brokers or dealers. Annually, we project the amount of commission dollars we expect to generate during the course of a fiscal year, and via an internal allocation procedure establish a budget of commission dollars to be directed to brokers providing us with research or brokerage services considered useful by Bailard's portfolio managers. However, no absolute dollar amounts are required to be able to provide the best price and execution. A substantial portion of brokerage commissions is paid to brokers and dealers who directly or indirectly supply research and brokerage services to Bailard.

E. Aggregation of Trades

Portfolio transactions of numerous accounts may be aggregated based on concurrent authorizations to purchase or sell the same security for numerous accounts served by Bailard. Although such aggregations potentially could be either advantageous or disadvantageous to any one or more particular accounts for any given transaction, Bailard only aggregates trades to the extent it believes that such aggregation is in the best interests of the affected accounts and consistent with its duty to seek the best execution for client trades.

Bailard has adopted trade aggregation and allocation policies and procedures which is designed to allocate trades in a manner that is fair and equitable allocation when trades are aggregated.

We take into account the best interest of clients. We would recommend an investment to a client only if the firm believes the recommendation is appropriate for the client and is in the client's best interest. An investment may not be appropriate for all client accounts, and recommendations are made independent of the consideration of fees payable by an account.

Bailard's clients can be either discretionary (accounts for which Bailard assumes full responsibility for investment decision-making) or non-discretionary (accounts for which the client plays some role in deciding whether or not to follow Bailard's investment advice). In addition, Bailard's clients can either choose to allow Bailard to select the brokers to be used or establish directed brokerage

arrangements (where the client selects the broker to be used). Most of Bailard's clients have chosen to be managed on a discretionary, non-directed basis. Bailard believes that this arrangement is usually in the best interests of its clients.

Generally, Bailard will place trade orders for discretionary accounts first, with discretionary, non-directed accounts having priority over discretionary directed brokerage accounts.

Bailard will typically aggregate or "block" mass buy and sell orders of the same security for Bailard Wealth Management clients, although this may not be done in certain circumstances when only a small number of accounts are involved. In addition, in some instances a custodian may not allow such aggregation to occur. In those cases, the trades for clients at that custodian would be placed after the block trade order.

Bailard will consider aggregating or blocking stock trades for other clients (including mutual fund and pooled vehicle accounts) if:

1. The Trading Desk knows about and receives the trade orders at the same time on the same day, and the common securities can be easily identified (i.e., are not buried in a list);
2. It is appropriate to use the same broker to execute the trades and the blocking is operationally feasible; and
3. Blocking the common securities is consistent with each account's investment strategy.

Bailard will typically seek to aggregate or block bond or bond ETF buy and sell orders for Bailard Asset Management fixed income strategy clients and for the fixed income portion of Bailard Wealth Management clients' portfolios if there is an investment need for a specific account, if blocking is operationally feasible and if blocking the common security is consistent with each account's investment strategy. Multiple blocks are typically created based upon the accounts' size, tax status and investment strategy. Smaller Bailard Wealth Management accounts might not participate in certain bond or bond ETF blocks.

Bailard Wealth Management client accounts are held at a number of different bank and broker custodians, each of whom may custody multiple accounts. Bailard's trading department will follow procedures to ensure that the orders for these custodians are placed in a generally fair fashion. Currently, separate block orders are created for accounts custodied at: (a) Schwab (the "Schwab Block"), (b) TD Ameritrade (the "TD Block"), and (c) various banks (the "Bank Block"). Priority in trading is rotated among these three categories of custodians on a monthly basis to avoid favoring one group of clients over others.

F. Trade Policy Considerations for Complex and Non-Discretionary Accounts

What Types of Restrictions Can Clients Place on Their Accounts?

Clients may impose certain restrictions upon their accounts that impact how their trades will be allocated. For example, some clients may request that Bailard manage their accounts on a partially or fully non-discretionary basis, where Bailard must contact the clients for approval before placing some or all of the trades in their accounts. Similarly, some clients may have complex investment or operational restrictions ("complex accounts") that necessitate their accounts receive additional review before trades can be executed on their behalves. Finally, clients may select the broker to be used (a directed brokerage arrangement) rather than allowing Bailard to select the broker to be used (a non-directed brokerage arrangement).

What Impact Will These Restrictions Have Upon Trades in These Clients' Accounts?

Where Bailard is placing orders for multiple clients in the same security and on the same trade date for multiple clients, Bailard generally will place trade orders for discretionary accounts first, with discretionary, non-directed brokerage accounts having priority over discretionary, directed brokerage accounts. Bailard will then place trade orders for complex discretionary accounts and for non-discretionary accounts. Within this second group of accounts, non-directed accounts will once again have priority over directed accounts.

Complex and non-discretionary accounts generally will not participate in the aggregated trades executed at Schwab, TD Ameritrade, or various banks (Schwab Blocks, TD Blocks, or Bank Blocks). These clients should understand that larger blocks of trades may have lower transaction costs and better execution because of Bailard's ability to exercise more control over the timing and pricing of larger blocks of securities as compared to smaller or non-aggregated trades. In addition, non-discretionary clients require that we obtain approval before each transaction. As a result, and consistent with our trade priority policy, when executing block trades across client accounts, non-discretionary client trades are generally placed after those of discretionary accounts. An exception to this is if a non-discretionary client has an approved limit or stop loss order that is automatically executed by their broker pursuant to one of these arrangements. Complex and non-discretionary accounts may or may not be disadvantaged by the fact that their trades will lag the trades of discretionary, non-complex accounts.

What Does This Mean for Clients?

Clients are encouraged to consult with Bailard about the impact complex account and non-discretionary arrangements will have upon the allocation of trades in their accounts. Ideally, we would prefer to manage accounts on a fully discretionary, non-complex basis. However, we recognize that many factors go into determining the appropriate arrangements for clients.

G. Trade Policy Considerations for Wrap Fee Accounts

As noted above in Item 4 – Advisory Business, Bailard places orders for wrap fee account trades differently than for non-wrap fee accounts. With the exception of certain fixed-income trades, wrap portfolio transactions are generally executed through the sponsoring wrap firm. With regard to fixed income trades, Bailard may conclude that a wrap fee account may be disadvantaged by directing the trade to the sponsor firm. Bailard then places orders on an aggregated basis with non-wrap fee accounts at firms other than the sponsoring wrap firm, in which case the wrap fee account is responsible to pay any additional commissions, spreads, transaction charges or other costs incurred by the wrap fee account that are not covered by the wrap fee.

Sponsor firms or wrap fee accounts may include provisions in their agreements with Bailard to direct Bailard to execute all transactions or certain securities (for example, equity securities) through the sponsor firm or one of its affiliates. In those cases, Bailard generally requires that the sponsor firm or the wrap account agree to permit Bailard to trade away or use step-out transactions to execute transactions for wrap fee accounts through broker-dealers other than the sponsor (or an affiliate) in seeking best execution for wrap fee accounts.

For non-wrap fee accounts, the first trading priority is given to accounts where Bailard has discretion to select a broker-dealer. A wrap fee account may trade with these accounts if Bailard believes that doing so is in line with its duty to seek best execution and if it has the ability to step out / trade away in the wrap fee account. Then, the second trading priority is given to non-wrap fee, directed brokerage accounts. After non-wrap fee directed brokerage accounts, trade orders that have not been stepped out/traded away for wrap fee accounts will be communicated to the sponsor firm for execution; if there is more than one sponsor firm, orders will be communicated to them on a rotation basis. As a consequence of this trading sequencing, accounts within the same strategy are likely to receive different execution prices and different rates of return.

To address this conflict of interest and trading matter, Bailard maintains policies and procedures that it believes are consistent with its fiduciary duty to treat its clients fairly and equitably, including policies and procedures to evaluate execution and to review client accounts for consistency with client investment objectives and restrictions.

H. Real Estate Deal Allocation/Portfolio Rotation Policy

Bailard seeks to allocate investment opportunities fairly and equitably over a period of time to its clients in a manner consistent with its fiduciary duties as an investment adviser, taking into consideration each client's investment objectives, restrictions, or policies.

All real estate portfolios (the Real Estate Fund and any other real estate funds or real estate separate accounts Bailard may manage in the future) managed by Bailard have specific and defined investment guidelines. Generally, Bailard's goal and intent for the specific investment guidelines of various real estate portfolios is to differ enough to minimize the potential for conflict. Typical considerations that determine the potential suitability of an investment for a real estate portfolio would include, but not be limited to, the following:

- Geographic and product type constraints/preferences;
- Investment style constraints;
- Investment time horizons;
- Market or property type concentration considerations;
- Investment size or quality constraints;
- Operating partner limitations;
- Available cash or borrowing capacity;
- Investment capitalization or structure imperatives;
- Ability to respond to the required timing;
- UBTI and/or other tax considerations; and
- Relative pricing and risk/reward objectives.

If, after discussing and weighing these considerations, an investment is deemed suitable for more than one real estate portfolio but the investment can only be made by one client, Bailard's Executive Committee must balance the competing interests of the different client portfolios and initiate the following two-step process:

Step 1: Portfolio Manager Advocacy

When an investment opportunity meets all of the criteria for more than one real estate portfolio, the portfolio managers must advocate and compete for the investment on behalf of his/her portfolio. Advocacy can take many forms; but in general, will be characterized by well-marshaled arguments and support regarding why the investment in question will best fit a particular real estate portfolio. If, after portfolio manager advocacy, any member of the Executive Committee still believes that the investment opportunity meets all of the criteria of more than one real estate portfolio, Bailard's CEO will invoke Step 2, Portfolio Rotation and Asset Assignment, described below.

Step 2: Portfolio Rotation and Asset Assignment

The Portfolio Rotation process applies when a proposed investment is determined to be suitable for more than one real estate portfolio following portfolio manager advocacy described above.

A priority position is assigned to clients based on the date an acquisition was last completed for their account. The priority position was assigned initially on set up of the rotation process and functions as described below, with any new client established in the year being automatically assigned a position at the bottom of the rotation. The proposed investment is allocated to the client

for whom it is suitable based on the highest chronological priority position. Such allocation is made as soon as practical once an investment opportunity that merits active pursuit has been identified to allow the proposed client to know which transactions Bailard is pursuing on their behalf.

A client will retain its position in the rotation until it has completed an investment, at which time it will automatically drop to the bottom of the rotation. A client will retain its position in the rotation if the client declines to pursue a potential investment or if Bailard's Investment Committee either does not subsequently approve an investment or it is terminated by Bailard during the due diligence process.

ITEM 13 – REVIEW OF ACCOUNTS

A. Wealth Management Accounts

Client accounts are reviewed by the client's Investment Counselor in the event of strategy changes. In addition, at least quarterly, Investment Counselors generally review:

1. Asset allocation against the stated guidelines and objectives.
2. Performance versus benchmarks.
3. Cash needs.

Client accounts are also reviewed for administrative accuracy by investment operations staff on at least a monthly basis.

In performing this review, the responsibilities of the investment operations staff include, but are not limited to:

1. Reconciling accounts with bank and brokerage statements.
2. Monitoring cash positions.
3. Monitoring transactions initiated by Investment Counselors to make sure they are executed properly.

In addition, certain Bailard Wealth Management staff may provide assistance with trade transactions and the implementation of strategy changes, as needed.

A committee (consisting of our Chief Investment Officer, President of Bailard Wealth Management, Senior Vice President of International Equity Research and Performance Analyst, Director of Operations of Wealth Management, Chief Compliance Officer, and Compliance Associate) performs a quarterly review of performance and asset allocation for Wealth Management accounts.

Bailard Wealth Management generally provides quarterly reporting to its clients, although there are clients who receive reports monthly. For wrap accounts, Bailard quarterly reports are sent to the wrap sponsor(s). Quarterly reports include the following:

1. Performance
2. Portfolio Holdings
3. Income
4. Estimated realized gains/losses

We generally meet with clients semi-annually to review their portfolios, although there are clients with whom we meet more or less frequently, depending upon a particular client's needs and circumstances. Bailard generally does not meet with wrap program clients or smaller clients although there are those with whom we meet with from time to time.

On a periodic basis, we may also provide tax reporting to clients and/or to their accountants upon request. Clients should rely on custodian and other source tax documents rather than any Bailard reporting for income tax reporting and payment purposes.

Clients can elect to receive their Bailard reporting via a secure portal.

B. Asset Management Accounts

Bailard Asset Management's separate account, sub-advisory mutual fund and affiliated pooled vehicle clients are assigned to a team of individuals, including representatives from client service, operations, portfolio management and research. Client portfolios are rebalanced and reviewed by portfolio management on a schedule consistent with the particular investment strategy for which Bailard has been hired and, with the exception of the active fixed income and laddered bond strategies, are simultaneously rebalanced across all portfolios invested in that same strategy. In the public markets, this rebalancing may be as frequent as daily but in no case less frequent than monthly. Active fixed income and laddered bond strategy accounts are traded on an "as needed basis."

Client accounts are also reviewed on a regular basis by operations and research teams for matters including but not limited to custodian reconciliation, investment performance and conformity with a client's investment policies and objectives. These reviews are facilitated by a combination of automated tools and processes, as well as through analysis by various team members.

Bailard Asset Management sends reports to separately managed account and subadvisory clients at least quarterly; however, the schedule and contents of reports are tailored to the particular needs of each client. Reports can include but are not limited to performance information, accounting statements (portfolio valuations, transaction detail, income detail, etc.), a reconciliation of clients' accounts with custodian records, performance attribution, proxies voted and commission/transaction costs.

The Real Estate Fund

Bailard reviews the consolidated monthly financial reports (i.e., income statement, balance sheet, etc.) and quarterly NAV reports produced by Real Foundations, a professional services firm for the real estate industry. The finalized reports are then provided to the affiliated pooled vehicle client. Bailard delivers audited annual financial reports to investors of the Real Estate Fund.

The EOF

Bailard reviews the monthly reports (i.e., balance sheet, holdings report, income statement, etc.) produced by UMB Fund Services, Inc., an independent fund administrative and accounting firm. The finalized reports are then provided to the affiliated pooled vehicle client. Bailard delivers audited annual financial reports to investors of the EOF.

C. Other Communications

For clients, Bailard publishes at no cost our quarterly newsletter "the 9:05". In addition, from time to time, we produce at no cost occasional communications addressing financial planning issues and other topical items related to personal finance, socially responsible investing issues, as well as occasional research papers or market updates on various economic or investment subjects. Some of these documents are also made available on Bailard's website at, <https://www.905.bailard.com/>.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Bailard, Inc. engages solicitors who refer clients to us. Bailard pays the solicitors a portion of the advisory fees it receives from the referred clients. The Bailard advisory fee paid by these clients is no higher than the fee payable by comparable new clients who were not referred to Bailard by the referral source. Referred clients receive a written disclosure document describing the referral arrangement. Bailard has adopted policies and procedures designed to ensure compliance with the other requirements under the Investment Advisers Act of 1940, to the extent required by law.

These arrangements include a referral agreement with Schwab, which Bailard recommends to its clients as a custodian and uses to execute clients' brokerage transactions, and with a third-party investment adviser.

A. Schwab Referral Fee Arrangement

Bailard has entered into a referral arrangement with Schwab whereby Bailard compensates Schwab for referring clients to Bailard.

Bailard also compensates Schwab for referring clients to certain of Bailard's affiliated pooled vehicles. The referrals are made by Schwab through its proprietary services designed to help individuals or others identify professional investment advisers to manage their assets. The Schwab program is called the Schwab Advisor Network ("SAN").

The referral fees ("Participation Fee") paid to Schwab are a percentage of the value of assets in the client's account, subject to a minimum Participation Fee.

Under the SAN arrangement, Bailard has agreed to recommend and otherwise use its best efforts to custody clients' assets at Schwab except when its fiduciary duties to clients would prohibit doing so. Bailard is obligated to pay Schwab a Program Transfer Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Program Transfer Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Program Transfer Fee is higher than the Participation Fee we would generally pay in a single year. Thus, we have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation Fee and the Program Transfer Fee are based on assets in accounts of our clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, we have an incentive to encourage household members of clients referred by SAN to maintain custody of their accounts and execute transactions at Schwab.

Schwab also refers (and in the future other such brokers may refer) their clients to Bailard for the purpose of investing in its affiliated pooled vehicle(s) only. Bailard pays Schwab a referral fee based on the advisory fee attributable to that investor that Bailard receives from the affiliated pooled vehicle.

Bailard's participation in these arrangements gives rise to potential conflicts of interest. For example, Bailard may have been selected to participate in the SAN arrangement based in part on the amount of trading or client assets it maintains with Schwab. Bailard does not, however, charge clients referred by Schwab additional fees or expenses as a result of such referral. Nor does the SAN arrangement affect Bailard's duty to seek best execution on behalf of its clients.

B. Other Third-Party Referrals

Bailard has also entered into a solicitation arrangement with Harness Wealth Advisers LLC. Under this arrangement, Bailard would pay a portion of the referred client's management fee earned by

Bailard to the referring party. The referral fee will be paid entirely by Bailard and not the referred client. A conflict of interest exists between the solicitors' referral of clients to us and their receipt of fees for such referral and the conflict will be fully disclosed to clients prior to the start of the client relationship with Bailard.

Bailard may enter into other solicitation arrangements in the future.

C. Other Compensation

We receive an economic benefit from the firms that sponsor Institutional Custody/Brokerage Programs (described in Item 12 – Brokerage Practices) in the form of the support products and services it makes available to us and other independent investment advisers whose clients maintain their accounts at the sponsoring firms.

Clients do not pay more for assets maintained at the sponsoring firms as a result of these arrangements. However, we benefit from these arrangements because the cost of these services would otherwise be borne directly by us, and this creates a conflict of interest. Clients should consider conflicts of interest when selecting a custodian.

The products and services provided by the sponsoring firms, how they benefit us, and the related conflicts of interest are described above (see Item 12—Brokerage Practices, “Participation in Institutional Custody/Brokerage Programs”).

ITEM 15 – CUSTODY

Bailard does not hold client funds or securities. Qualified custodians that are not affiliated with Bailard hold client funds and securities in safe-keeping for clients. These qualified custodians are typically banks or brokerage firms. Clients receive electronic or hard copy account statements directly from their qualified custodians at least quarterly. Clients may also receive account statements at least quarterly directly from transfer agents or administrators for interests in certain pooled vehicles (i.e., affiliated pooled vehicles or sub-advised mutual funds) that are not reflected on their custodian statements. Clients also receive quarterly account statements from Bailard. We urge clients to compare the account statements they receive from qualified custodians and any transfer agent or administrator with the quarterly account statements they receive from us. Bailard may from time to time recommend custodians to clients.

Bailard is deemed to have custody of our affiliated pooled vehicles by virtue of the control that our affiliated general partners and certain of our employees have over these pooled vehicles' operations. Investors in the affiliated pooled vehicles receive a copy of each pooled vehicle's annual audited financial statements.

In addition, because Bailard has the authority and ability to debit its fees directly from certain clients' accounts, Bailard is deemed to have “constructive custody” of accounts in which advisory fees are deducted. In some cases, Bailard may also be deemed to have constructive custody over accounts in which a standing letter of authorization (“SLOA”) to direct funds to a third party has been added to the account. Bailard does not accept SLOA authorization from clients to disburse funds to third parties unless the SLOA meets the conditions in the SEC No-Action Letter dated February 21, 2017.

ITEM 16 – INVESTMENT DISCRETION

As authorized in a written investment agreement at the outset of the advisory relationship, generally Bailard has full investment discretion in managing client accounts; however, in some cases,

this authority is subject to restrictions agreed with the client in advance and set forth in the applicable investment management agreement. Bailard will accept reasonable limitations on its authority through client guideline restrictions provided such restrictions are essentially consistent with Bailard's investment process. Clients may place specific restrictions on the purchase or sale of certain securities, sectors, asset classes or industries. Wrap clients may place specific restrictions on the purchase or sale of securities or asset classes. Where possible, we input the restrictions into our portfolio accounting system.

For Asset Management clients, typical contract provisions include: restrictions relating to what constitutes a permissible or authorized investment; restrictions and prohibitions relating to borrowing, leverage, short selling, currency hedging and use of derivatives; and sector, country and other exposure limits relative to the client's chosen benchmark. In the case of the Real Estate Fund, determinations to purchase and sell property holdings are subject to the approval of the Fund's board of directors.

We have a very limited number of Wealth Management clients that have signed non-discretionary contracts and must be contacted prior to any security purchase or sale or asset allocation change.

In some instances, such as special directed purchases, concentrated stock positions or low basis securities, Bailard may place a security in a non-billable category called "Unmanaged Assets." These assets require discussion with and consent from the client in order to transact.

ITEM 17 – VOTING CLIENT SECURITIES

Bailard has adopted proxy voting policies and procedures that are reasonably designed to ensure that we vote proxies in the best interests of our clients ("Proxy Voting Policy"). Bailard currently votes domestic and international stock proxies for accounts whose investment advisory agreement gives Bailard authority to vote proxies on their behalf. The accounts for which Bailard votes proxies include, but are not limited to, mutual funds, our affiliated pooled vehicles, certain separately managed institutional accounts, ERISA accounts and (unless otherwise directed) omnibus ballot accounts.

In seeking to avoid material conflicts of interest, we have engaged Institutional Shareholder Services ("ISS"), a third-party service provider, to vote in accordance with ISS' SRI proxy voting guidelines ("ISS Guidelines"), depending on the client. Bailard generally does not allow the option for clients to direct the votes in a particular solicitation. In certain limited circumstances, ISS may be instructed to use custom guidelines in voting proxies for specific Bailard Asset Management accounts.

ISS's SRI proxy voting guidelines generally:

1. Seek to support Boards of Directors that serve the interests of shareholders by voting for Boards that possess independence, diversity in terms of race, gender, and other factors, and responsiveness to shareholders;
2. Seek transparency and integrity of financial reporting by voting for management's recommendation for auditor unless the independence of a returning auditor or the integrity of the audit has been compromised, non-audit fees exceed audit fees, or poor accounting practices are identified that rise to a serious level of concern;
3. Seek to incentivize employees and executives to engage in conduct that will improve the performance of their companies by voting for executive pay programs that are principally performance-based, fair, reasonable, and not designed in a manner that would incentivize excessive risk-taking by managements;
4. Seek to protect shareholders' rights by voting for changes in corporate governance structure only if they are consistent with the shareholders' interests;

5. Generally vote for social and environmental shareholder proposals that promote good corporate citizens while enhancing long-term shareholder and stakeholder value. Vote for disclosure reports that seek additional information particularly when it appears companies have not adequately addressed shareholders' social, workforce, and environmental concerns.

Investment advisers can face material conflicts of interest in voting proxies on behalf of their clients. Examples of such conflicts include managing a pension plan of a company whose management is soliciting proxies; having a business relationship with a proponent of a proxy proposal; having a business or personal relationship with participants in a proxy contest, corporate directors, or candidates for directors; and having a financial interest in the outcome of a vote. Bailard has adopted the ISS Guidelines and relies on ISS, to vote proxies in accordance with the ISS Guidelines.

Bailard may override ISS's recommendations under certain circumstances, including when ISS experiences a material conflict of interest in the voting of clients' proxies.

Bailard will not neglect its proxy voting responsibilities, but it may abstain from voting if it deems that abstaining is in clients' best interests. For example, Bailard may be unable to vote securities that have been lent by the custodian, where share blocking is required, or where Bailard determines in its sole discretion that the cost of voting (for example, by engaging an independent third party or obtaining prior client approval) would be larger than any benefit to our clients.

Bailard conducts at least annual due diligence of ISS as well as periodic monitoring/testing of the services ISS provides.

For accounts where Bailard does not have the authority to vote proxies, clients receive their proxies directly from the custodian, transfer agent or the issuer's proxy solicitor. Clients can email compliance@bailard.com with any questions about a particular solicitation.

Bailard's Proxy Voting Policy sets forth our proxy voting process in more detail. A copy of this policy is available to clients upon request. Moreover, if we are voting proxies on a client's behalf (including proxies voted by ISS), that client may ask us for information about how his or her securities were voted. To request a copy of our Proxy Voting Policy or information about how their securities were voted, clients should email compliance@bailard.com.

ITEM 18 – FINANCIAL INFORMATION

There is no financial condition that is likely to impair Bailard's ability to meet contractual commitments to our clients.