BAILARD

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Form ADV Part 2A
(the "Brochure")

June 20, 2024

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 December 15, 2023. This Brochure contains updated information as warranted and, in some cases, amended disclosures, as summarized below:

Items 5, 6, 8, and 11	We added disclosures relating to the Bailard Real Estate Fund's joint venture arrangements.
Item 8	We updated our list and description of investment strategies, including our International ex-Energy strategy. We also added new risk disclosures.

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ITEM 4 – ADVISORY BUSINESS

A. Firm Overview

Bailard, Inc. ("Bailard", "we", "us", "the firm", or "our") is a registered investment adviser with approximately 75 employees headquartered in Foster City, California. Bailard was founded in 1969 by three graduates of the Stanford Graduate School of Business. From its inception, Bailard has focused on education and providing clients with diversification across multiple asset classes.

Bailard offers wealth management and asset management services. We provide investment advisory and financial planning services to clients seeking multi-asset diversification as part of our wealth management services. Under our asset management services, we offer 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 45 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, LLM, CIMC®, CIMA®, CDFA®, CPWA, CTS, PCM, and RICP®. Led by Chief Executive Officer Sonya Mughal, CFA, Bailard's senior management team is comprised of five individuals with an average tenure at Bailard of 21 years.

B. Ownership Structure

Bailard is a certified B Corporation™ (B Corp™). It is a wholly owned subsidiary of BB&K Holdings, Inc., a privately owned firm. BB&K Holdings, Inc. is subject to the oversight of a board of directors comprising seven directors: six outside directors and one Bailard employee, Sonya 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, 2024, 53 employees owned approximately 56% of the firm, with the remaining shares owned by former employees and private investors.[1] We have high equity ownership across our employees, with 71% of the employees owning stock as of March 31, 2024. Moreover, as of March 31, 2024, Bailard was 52% owned by women and minorities.

C. 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.

Client 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 when building client portfolios. As active investment managers, we make shifts in asset allocation in response to changing economic and market conditions.

SUSTAINABLE, RESPONSIBLE & IMPACT INVESTING ("SRII")

For clients who are interested in aligning financial objectives with social and environmental values, we incorporate Sustainable, Responsible, and Impact Investing ("SRII") principles in the construction and management of their investment portfolios. Our process combines our proprietary ESG Capture® scoring framework with suitability assessments as well

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

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 building and managing 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 a sustainable and responsible investing 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 a sustainable and responsible investing perspective, we evaluate the company using a Suitability Assessment tool. 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 to lead 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 debt and private equity vehicles, and our public equity impact investing strategies are called Bailard Broad Impact and Bailard Broad Impact Global.

For some clients in the SRII strategies, Bailard may also invest them 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 Exchange Traded Funds ("ETFs"). Some of the mutual funds/ETFs in these strategies apply their own socially responsible investment ("SRI") and 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. We leverage independent research, written pieces, and media engagement to illustrate the importance and relevance of these issues.

OTHER SERVICES

Depending on client preferences and needs, the services we offer to 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 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.

Clients may establish investment restrictions for their Bailard accounts. Restrictions may be placed on purchases and sales of certain securities, industries, sectors, 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 that are subject to ERISA.

Please note that while Bailard considers tax issues as described above when managing 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. Asset Management Services

As part of our asset management services, we offer investment strategies in both equity management and alternative investments. We manage the following asset classes and investment styles.

EQUITY STRATEGIES

In managing Bailard's equity strategies, we employ a combination of quantitative research, fundamental analysis, and qualitative judgment to build portfolios we believe are best suited to achieve our clients' goals while reflecting their risk tolerance and values. Quantitative and qualitative elements are used to varying degrees across each of our equity strategies to create and continually refine differentiated investment strategies where we perceive we have a definable advantage in both the U.S. and international equity markets. More detailed information on our equity, fixed income, and alternative investment strategies can be found in Item 8.

SEPARATE ACCOUNTS AND SUB-ADVISORY SERVICES

A separate account is a client-specific portfolio individually managed following 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 individual.

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

POOLED VEHICLES

We currently manage the following affiliated, unregistered pooled vehicles:

- Bailard Real Estate Investment Trust, Inc. (the "Real Estate Fund") [2]
- 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").

E. Client Assets Under Management

Bailard's total assets under management were $6.06 billion (including $6.05 billion discretionary and $15.78 million non-discretionary assets) as of March 31, 2024.

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, clients transferring from another manager can sometimes maintain their previously existing fee schedules.

A. Wealth Management Fees

For wealth management clients, the 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
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

[2] 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.

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 client's account(s) may be aggregated (or householded) with other Bailard-managed accounts (s) to apply the fee breakpoints and minimum annual fees to the householded account(s)' billing.

We have different fee schedules, investment minimums, and fee arrangements with different clients. Some clients have higher or lower fees than others with the same assets under management. When a new account is householded 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 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 at 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.

OTHER FEES AND EXPENSES

Financial Planning
Financial planning services are generally included in wealth management clients' advisory fees. However, we occasionally provide financial planning services at a flat fee, typically $3,500-$15,000 per engagement. This fee may be forgiven if the financial planning client becomes a full investment advisory client.

Financial Advisory Fee
In addition to our normal services, we have a few client(s) who require specialized investment analysis or projects and/or ongoing financial planning needs. In these instances, we charge a retainer, typically ranging from $2,000 to $50,000 annually, depending on complexity. These client(s) may or may not be Bailard's investment advisory clients.

Other
In addition to the fees described above, 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, ETFs, or pooled vehicles not managed or sub-advised by Bailard. A significant percentage of wealth management clients' investment portfolios may be invested in ETFs.
4. Margin interest, where applicable. Bailard does not recommend using 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.

The offering documents and other governing documents of each fund provide a more complete description of the fees to be paid to Bailard and its affiliates in connection with each fund investment and the expenses 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. Asset Management Fees

SEPARATELY MANAGED ACCOUNT FEES
Standard annual fee schedules for new asset management separate accounts are as follows:

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 amounts above $100 million
International ex-Energy	0.75% of the first $25 million 0.65% of the next $25 million 0.50% of the next $50 million 0.40% on amounts above $100 million
Micro Cap Value	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 above $40 million
Small Cap Value	0.90% of the first $25 million 0.70% of the next $25 million 0.60% of the next $50 million 0.50% on amounts above $100 million
Smart SRI ADR	0.30% of the first $50 million 0.20% on amounts above $50 million
Smart SRI US All Cap	0.30% of the first $50 million 0.20% on amounts above $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
Active Fixed Income	0.50% on the first $5 million 0.40% on the next $5 million 0.30% on amounts above $10 million

Laddered Bond	0.50% on the first $5 million 0.40% on the next $5 million 0.30% on amounts above $10 million
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

Investment Management Fee

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.

Operations Management Fee

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" 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 the 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. Wealth management clients do not receive a credit for the operations management fee that Bailard receives from the Real Estate Fund.

Joint Venture Fees

The Real Estate Fund has and will, from time to time, through its subsidiaries enter one or more joint venture arrangements with third parties ("Joint Venture Partners" or "JV Partners"). Investments made with JV Partners may involve performance-based compensation in the form of incentive allocations to such JV Partners. Compensation or fees paid to JV Partners do not reduce or offset the Investment Management Fee or Operations Management Fee payable to Bailard. The performance-based compensation could create different incentives for JV Partners to maximize its incentive allocation distribution, even when doing so would not be in the best interests of the Fund. The Fund mitigates this potential conflict by holding a majority position in these joint ventures (through its subsidiaries) and typically maintains control over the major decisions as part of the arrangements.

EOF

The EOF pays Bailard an annual management fee as follows:

1% annual management fee
20% incentive allocation based on net profit 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 wealth management clients' investment advisory fee. The market value of the EOF does count toward the calculation of minimum annual fees and fee breakpoints 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) 0.85% on uncalled committed capital / 1.25% on capital called and invested (for investors who invest at the initial close)	20% carried interest incentive fee with an 8% hurdle rate

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 wealth management clients' investment advisory fee. The market value of the Multifamily Fund would count toward the calculation of minimum annual fees and fee breakpoints 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 every month at the following annual rates: (i) 0.275% (27.5 basis points) of the daily net assets of the Class M shares of the Nationwide Bailard International Equities Fund and (ii) 0.305% (30.5 basis points) 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 clients who invest in the Nationwide Bailard Funds do so through the Class M shares. Like other investors in the Funds, Bailard clients bear their proportionate share of the fees and expenses each Nationwide fund charges its shareholders. However, to avoid "double billing," Bailard clients investing in any of the Nationwide Bailard Funds are credited their pro-rata share of the management fee and fiduciary fulfillment fee paid to Bailard by NFA.

GENERAL FEE DISCLOSURES FOR ASSET MANAGEMENT FEES

The specific way Bailard charges fees are 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 are payable monthly or quarterly in arrears. However, management fees for fixed-income strategies are paid quarterly in advance.

As specified in the IMA, management fees are typically prorated for each capital contribution and withdrawal made during the applicable billing period (except for 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 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 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.

The only fee paid to Bailard for separately managed accounts is the investment management fee in the investment management agreement. All other fees and expenses associated with the account are the client's sole responsibility. 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), 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.

The offering documents and other governing documents of each pooled vehicle provide a more complete description of the fees to be paid to Bailard and its affiliates in connection with each individual fund investment and the expenses of each fund. 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 others 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, when certain criteria are met, Bailard and/or its affiliates are eligible to receive a performance-based fee or allocation from two pooled vehicles, i.e., the EOF and the Multi-family Fund. For all other clients, Bailard charges fees based on a fixed percentage of the assets under our management. (See Item 5 – Fees and Compensation for more information about the different 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 allocating 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.

As stated under Item 5, the Real Estate Fund has and will, from time to time, through its subsidiaries enter one or more joint venture arrangements with JV Partners. Investments made with JV Partners may involve performance-based compensation in the form of incentive allocations to such JV Partners. Compensation or fees paid to JV Partners do not reduce or offset the Investment Management Fee or Operations Management Fee payable to Bailard. The performance-based compensation could create different incentives for JV Partners to maximize its incentive allocation distribution, even when doing so would not be in the best interests of the Fund. The Fund mitigates this potential conflict by holding a majority position in these joint ventures (through its subsidiaries) and typically maintains control over the major decisions as part of the arrangements.

ITEM 7 – TYPES OF CLIENTS

A. Wealth Management Clients

Wealth management services are provided to a broad range of client types, including high-net-worth individuals and families, endowments, foundations, charitable organizations, and pension and profit-sharing plans and trusts. Advice to these types of clients is provided through an investment management agreement between Bailard and the clients.

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

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. Asset Management Clients

We provide asset 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 Smart SRI ADR Smart SRI US All Cap Technology Technology and Science Technology Opportunities
$20 Million	International
$20 Million	International ex-Energy
$25 Million	Micro Cap Value
$100 Million	Real Estate

In some circumstances, investment minimums are waived.

C. Pooled Vehicles

Account minimums for Bailard's pooled vehicles are set by each pooled vehicle. 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. Multi-Asset Strategies

We manage diversified, multi-asset 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 to enhance return and reduce volatility. Our process begins with the creation of a longer-term strategic portfolio that 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; generally, 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 SRII 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 each client's sustainable and responsible investing preferences.

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 security holdings, ETFs, 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 and within each asset area.

B. Single-Asset Strategies

Our single-asset investment strategies include equity, fixed-income, and alternative investments.

1. 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 through multiple micro-themes.

2. 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 multiple 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.

3. International

This strategy is actively managed and offers broad developed and emerging market exposures. Bailard's investing approach is a disciplined, consistent, and repeatable investment methodology with both quantitative and qualitative elements. We view the world's countries on a relative basis using a dynamic factor model and combine security selection factors to rank individual stocks globally. The portfolio will then be constructed relative to the client's preferred international equity benchmark, with greatest overweights to the highest ranked stocks within high-ranking markets and underweights in lower-ranking stocks and markets. Our stock selection models are tailored to the specific conditions of regions and markets worldwide. They incorporate measures of value, momentum, earnings revisions, and earnings quality to assess the attractiveness of individual stocks. Fundamental analysis of countries, industries, and securities overlays the quantitative process to assist with portfolio construction.

We seek to manage risk through diversification. Our portfolio management systems focus on managing risk at the country, sector, industry, and security levels, allowing us to offer international equity portfolios to customized mandates.

4. International ex-Energy

Bailard's actively-managed International ex-Energy investing approach is a disciplined, consistent, and repeatable investment methodology with both quantitative and qualitative elements. We view the world's countries on a relative basis using a dynamic factor model and combine security selection factors to rank individual stocks globally. The portfolio will then be constructed relative to the client's preferred international equity benchmark, with greatest overweights to the highest ranked stocks within high-ranking markets and underweights in lower-ranking stocks and markets. Our stock selection models are tailored to the specific conditions of regions and markets worldwide. They incorporate measures of value, momentum, earnings revisions, and earnings quality to assess the attractiveness of individual stocks. Fundamental analysis of countries, industries, and securities overlays the quantitative process to assist with portfolio construction.

We seek to manage risk through diversification. Our portfolio management systems focus on managing risk at the country, sector, industry, and security levels.

The International ex-Energy strategy utilizes the same investment process as the core, International strategy except that it constrains the investment universe to exclude the energy sector and historically has invested only in the developed markets. Client-specific, sustainable and responsible investing screens may be added or modified for new mandates.

5. ### Micro Cap Value

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. Various proprietary behavioral factor models are combined 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 identify and avoid companies we view as having higher risk exposure to events like lawsuits, regulatory action, or negative publicity due to the nature of their business or how management conducts themselves. We employ other stringent risk controls 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 liquidity pools can allow low-volume stocks to be traded with reduced market impact. In addition, patient and flexible trading allows for the capture of volume when it is available and the ability to seek alternative stocks from the trade list when the volume is scarce in a particular name.

6. ### 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 three to five 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 of the 10 economic sectors defined by MSCI.

7. ### Small Cap Value

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. Various proprietary behavioral factor models are combined 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 identify and avoid companies we view as having higher risk exposure to events like lawsuits, regulatory action, or negative publicity due to the nature of their business or how management conducts itself.

We employ other stringent risk controls 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 these different liquidity pools can allow low-volume stocks to be traded with reduced market impact.

8. Smart SRI ADR

The investment philosophy of the Smart SRI ADR Equity Strategy is to combine a robust sustainable and responsible investing 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 several products that adversely affect women, girls, and disadvantaged communities. On average, this strategy typically holds 35-45 American depository receipts (ADRs), diversified across industry sectors.

9. Smart SRI US All Cap

The Bailard Smart SRI US All Cap strategy seeks to implement a robust sustainable and responsible investing 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 several products that adversely affect women, girls, and disadvantaged communities. The strategy invests in 75 -100 stocks, on average, diversified across industry sectors.

10. Technology

Our technology strategy invests in the stocks of firms that predominantly use technology to drive their businesses, with exposure primarily to the information technology sector and, to a lesser extent, broad economic sectors such 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 sector's major industry groups.

11. 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 the sector's major industry groups.

12. Active Fixed Income Strategy

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 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 ETFs, as well as corporate, Treasury, agency, taxable municipal, and other individual bonds. We focus on holding large and liquid bond issuers and use various 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.

13. Laddered Bond Strategy

We construct largely passive bond ladder portfolios by staggering maturity dates relatively evenly across the maturity spectrum. For tax-exempt accounts, we construct corporate and taxable municipal bond ladders from 1-12 years; for taxable accounts, we construct municipal ladders from 1-18 years. Additionally, we use a top-down analysis of the interest rate cycle and an analysis of corporate and municipal bond market valuations to emphasize sectors and maturities at the point of purchase that we believe will benefit the account. We will occasionally utilize liquid, low-fee bond ETFs at account inception and 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

14. 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 the 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.

15. 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 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 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.

16. Multifamily Residential Real Estate Strategy

The multifamily residential real estate strategy will pursue 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.

C. Summary of Certain Risks

Investing in securities involves the 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 and other risks associated with an investment in each fund.

1. 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.

2. 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 does not provide any guarantees, assurances, or commitments regarding the outcomes of its performance, the returns on investments, the effectiveness of its investment strategies, or the growth and preservation of the value and profitability of client accounts. Furthermore, Bailard does not give any assurance that the investment goals or benchmarks outlined in the client guidelines will be met, either fully or partially.

3. 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 case of a bank failure. Any deposits over $250,000 in cash at a single bank may be lost if the bank fails. Further diversifying banking relationships could serve to minimize the potential uncertainty and destabilizing effect on our operations due to concerns regarding the financial viability of a single banking institution. In addition, the valuation of companies may experience significant price declines, volatility, and liquidity concerns due to short- and long-term financing to continue operations at normal levels.

4. 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, 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 clients' portfolios, including investments made by Bailard.

Bailard relies heavily on its service providers (including administrators and custodians) and 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 during a disaster, Bailard's ability to effectively conduct business could be severely compromised.

5. 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., 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 due to changes in tariffs, incentives, and regulations, and the investment manager may fail to anticipate the political or regulatory factors leading up to such changes.

6. 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 effort" 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.

7. 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, 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.

8. Concentration Risk

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

9. Consumer-Oriented Company Risks

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.

10. Counterparty Risks

The assets and liabilities of funds and accounts managed by Bailard are held by brokers, 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.

11. Credit Risks

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. A default could lead to a loss of principal and interest.

12. Custody Risks

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 case 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 circumstances. Establishing multiple custodial relationships could mitigate custodial risk in the event of a bank failure.

13. Cybersecurity Risks

Bailard, its service providers, and its counterparties rely on computer systems to conduct their businesses. Despite their efforts to safeguard them, there is a risk that these systems might be compromised by cyberattacks. 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 successfully fend off cybersecurity attacks from viruses, malware, computer hackers, or other malicious corruption in its 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.

14. 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.

15. 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. Order priority may be lost, which can cause material losses to portfolios.

16. ETF 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.

17. Foreign Investment Risks

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 unreliable 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.

18. Inflation Risks

Inflation could adversely affect clients' investments in several 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, adversely affecting the prices at which a client can sell its investments. The market value of such investments can decline in value in times of higher inflation rates.

19. Interest Rate Risks

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.

20. Investment Style Risks

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

21. Leverage Risks

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.

22. Liquidity Risks

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

23. Multifamily Fund Risks

The Multifamily Fund's objective is to invest in multifamily residential development projects and properties through various structures. Multifamily residential property investments are subject to varying degrees of risk. The yields available from equity investments in real estate largely depend 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.

Real estate investments within the Fund carry a speculative nature and there's a risk of capital loss. Investors should be prepared for the possibility of losing their investment. The performance of the Fund can be influenced by various factors including economic conditions, local market dynamics, management quality, competition, property desirability, financial stability of involved parties, maintenance quality, operational costs, interest rates, legal liabilities, environmental regulations, natural disasters, war, labor issues, and other unforeseen events. These factors can significantly impact the Fund's revenues and property values. Please see the private placement memorandum for a more detailed description of the risks associated with an investment in the Multifamily Fund.

24. 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 the world's largest economies—on global economic conditions and on the operations, financial condition, and performance of any 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.

25. 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.

26. Real Estate Fund Risks

The Real Estate Fund is subject to several real estate-related risks, including market fluctuations, regulatory changes, and operational costs. Diversification is limited due to significant investment in individual properties, increasing vulnerability to local market downturns and specific property issues. Development projects carry risks such as zoning, construction costs, and environmental concerns. Property acquisitions can fail due to financing difficulties, market unfamiliarity, and integration challenges. Leverage increases financial risk, while environmental liabilities may incur unexpected costs. The fund's performance depends on its management team, and failure to meet REIT criteria could increase tax liabilities. Real estate's illiquidity makes asset valuation difficult, affecting net asset value. Lastly, regulatory constraints may limit the fund's operational and investment capabilities. Please see the offering memorandum for a more detailed description of the risks associated with an investment in the Real Estate Fund.

27. Real Estate Fund Joint Venture Risks

Investments that the Real Estate Fund makes through joint ventures with JV Partners involve risks and potential conflicts of interest that are not present in investments without a JV Partner, including, but not limited to, the following:

- Investments made with JV Partners may involve performance-based compensation in the form of incentive allocations to such JV Partners. Compensation or fees paid to JV Partners do not reduce or offset the Investment Management Fee or Operations Management Fee payable to Bailard. The performance-based compensation could create different incentives for JV Partners to maximize its incentive allocation distribution, even when doing so would not be in the best interests of the Fund. The Fund mitigates this potential conflict by holding a majority position in these joint ventures (through its subsidiaries) and typically maintains control over the major decisions as part of the arrangements.
- The JV Partner could have economic or other interests that are inconsistent with or different from the interests of the Fund, including interests relating to the financing, management, governance, operations, leasing, or sale of the assets in the joint venture.
- In certain circumstances, the JV Partner could have joint control or joint governance of the joint venture even though its economic stake in the joint venture is significantly less than that of the subsidiary of the Real Estate Fund.
- Under the applicable joint venture arrangement, it is possible that neither the Fund (through its subsidiary) nor the JV Partner unilaterally controls the joint venture, in which case a deadlock could occur. In such a situation, the JV agreement would outline how one or both partners could liquidate their interest to resolve any deadlock.

28. Risks Associated with Artificial Intelligence (“AI”)

Some of our employees use AI technology to enhance operational efficiency in certain business processes and, to a limited extent, as a search engine that serves as an alternative to Google and other web-based search tools.

While Artificial Intelligence (AI) is a powerful and evolving technology, it is important to acknowledge its inherent limitations and potential risks, some of which we may not yet fully grasp. One of the known risks is AI hallucination, where AI models can present results as factual when, in reality, they contain inaccurate or fabricated information. AI models have historically been susceptible to embedded biases, which can perpetuate societal prejudices and lead to unfair or discriminatory outcomes. Another concern is the potential for AI models to incorporate sensitive or confidential information inadvertently, raising privacy and security concerns. Additionally, AI models may misinterpret or summarize data in ways that are inaccurate, inconsistent, or incomplete, leading to flawed conclusions or decisions.

We mitigate the risks described above through human oversight to validate and verify the accuracy of the output of technological tools that utilize AI.

29. Risks Associated with Machine Learning

We use traditional machine learning methods to help us evaluate stocks for International Equity and Small Cap Value strategies. While these methods are intended to analyze vast amounts of data and identify investment opportunities, there are inherent risks associated with using such technology. These methods may not capture all relevant factors or accurately predict market movements. Additionally, changes in market conditions or unexpected events may impact the performance of the methods.

30. Sector Risk

Investments in one 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

31. 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.

32. 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.

33. Sustainable and Responsible Investing Risks

The application of various product, industry, and sector screens as part of a sustainable and 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 sustainable and responsible investing criteria. Investors can differ in their views of what constitutes positive or negative sustainable and responsible investing characteristics. As a result, the strategy may invest in issuers that do not reflect the sustainable and responsible investing beliefs and values of any particular investor.

Adherence with the strategy’s sustainable and responsible investing criteria is determined at the date of purchase. Individual equity holdings in the strategy may cease to meet the relevant sustainable and responsible investing criteria after the initial purchase but may nevertheless remain in the strategy until a future review or rebalance by 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 may not always meet the strategy’s sustainable and responsible investing criteria and goals.

In evaluating a security or issuer based on sustainable and responsible investing criteria, we are dependent upon certain information and data from third-party providers of sustainable and responsible investing 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 sustainable and responsible investing criteria correctly or that the strategy could have indirect exposure to issuers that do not meet the relevant sustainable and responsible investing 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 sustainable and responsible investing assessment. There may be limitations with respect to the availability of sustainable and responsible investing data in certain sectors, as well as the limited availability of investments with positive sustainable and responsible investing assessments in certain sectors. Our evaluation of sustainable and responsible investing criteria is subjective and may change over time.

34. Technology-Related Investment Risks

The technology sector is deeply integrated into the global economy, offering investment opportunities across various industries such as the internet, software, media, and telecommunications. However, this sector is also prone to rapid product cycles, competitive pressures, intellectual property challenges, and technological obsolescence. Companies in this field must navigate risks like the inability to innovate or protect their intellectual property, as well as threats from cyber attacks and other IT disruptions. Investment firms like Bailard have limited influence over technological advancements and must contend with the possibility that a company's technology could become outdated or fail to achieve commercial success. Among other things, a company may fail to acquire or develop the 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.

35. Valuation Risks

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.

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

We currently manage the following affiliated pooled vehicles:

1. The Real Estate Fund
2. The EOF[3]

In addition, as previously noted, 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.

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

[3] Bailard General Partners I, Inc., a subsidiary of Bailard, Inc., is the general partner of the EOF.

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 a 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.

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 breakpoints, 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 the quarterly asset allocation/performance reviews of client 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 another account (s) or vice versa). We can buy, sell, or sell short the same security in different client accounts and in our proprietary accounts provided that 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 act 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 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 interest.

Certain Bailard employees have managed or are currently managing the accounts of clients who are their relatives. Bailard reviews the relative performance of these clients' investment management account(s) as part of the quarterly asset allocation/performance reviews of client 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 the quarterly asset allocation/performance reviews of client 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, this creates a potential conflict of interest since Bailard will earn an additional advisory fee because of the rollover. No client is under any obligation to roll over retirement plan assets to an account managed by Bailard.

REAL ESTATE FUND'S JOINT VENTURES

The Real Estate Fund, through its subsidiaries, has and will, from time to time, enter into one or more joint ventures with JV Partners. Investments made with JV Partners involve risks and potential conflicts of interest that are not present in investments without a JV Partner, including, but not limited to, the following:

- Investments made with JV Partners may involve performance-based compensation in the form of incentive allocations to such JV Partners. Compensation or fees paid to JV Partners do not reduce or offset the Investment Management Fee or Operations Management Fee payable to Bailard. The performance-based compensation could create different incentives for JV Partners to maximize its incentive allocation distribution, even when doing so would not be in the best interests of the Fund. The Fund mitigates this potential conflict by holding a majority position in these joint ventures (through its subsidiaries) and typically maintains control over the major decisions as part of the arrangements.
- The JV Partner could have economic or other interests that are inconsistent with or different from the interests of the Fund, including interests relating to the financing, management, governance, operations, leasing, or sale of the assets in the joint venture.
- In certain circumstances, the JV Partner could have joint control or joint governance of the joint venture even though its economic stake in the joint venture is significantly less than that of the subsidiary of the Real Estate Fund.
- Under the applicable joint venture arrangement, it is possible that neither the Fund (through its subsidiary) nor the JV Partner unilaterally controls the joint venture, in which case a deadlock could occur. In such a situation, the JV agreement would outline how one or both partners could liquidate their interest to resolve any deadlock.

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 can obtain best execution, the order is placed with that broker. This may be a broker-dealer that has provided research or brokerage services to Bailard. Bailard is not affiliated with any broker-dealers or custodians.

B. Participation in an Institutional Custody/Brokerage Program

Bailard participates in an institutional custody and brokerage program (the "Program") sponsored by Schwab (the "sponsoring firm"). The services offered by this program include custody of securities, trade execution, clearance and settlement of transactions, and account reporting. Schwab is a discount broker independent of and unaffiliated with Bailard, and there is no employee or agency relationship between Bailard and Schwab. Schwab does not supervise Bailard and has 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 Schwab. However, Bailard takes into account Schwab's capability of providing best execution under the broad criteria described above in determining whether to recommend Schwab's 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 Schwab, clients will decide whether to do so and will open their accounts by entering into an account agreement directly with Schwab. Conflicts of interest associated with this arrangement are described below and in Item 14 (Client referrals and other compensation). Clients should consider these conflicts of interest when selecting their custodian.

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

The Program also makes available 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 Program also offers other services that generally benefit only us, including, among other things:

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

The Program provides us with other benefits, such as occasional business entertainment for our personnel. If clients do not maintain their accounts with the sponsoring firm, we would be required to pay for these services using our own resources.

The benefits we receive from Schwab 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 Schwab is an incentive for us to recommend the use of Schwab rather than making such a 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 Schwab. We believe that taken in the aggregate, our recommendation of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services and not Schwab's services that benefit only us.

C. Trading Away

Schwab generally does not charge our clients separately for custody services but is compensated by charging clients commissions or other fees on trades that they execute or that settle into clients' accounts.[4] Certain trades, e.g., ETFs, may not incur commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in clients' accounts. In addition, Schwab charges 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' Schwab accounts. These fees are in addition to the commissions or other compensation that clients pay the executing broker-dealer. Because of this, to minimize clients' trading costs, Bailard selects Schwab to execute most trades for client accounts custodied at Schwab.

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, trade size, lot size, bond issuer, and highest bid received from the broker versus current market value. Third-party fixed-income brokers will be evaluated through a review of the pricing schedule for trade commissions, services provided to both client and us, the accuracy of execution and delivery of securities, and the 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 fixed-income transactions but also additional factors such as the likelihood of execution, liquidity, speed, and accuracy.

D. 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 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 a 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

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

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 asset management accounts generally generate soft dollar credits, those for 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 asset management clients will generate substantially more commission dollars than those attributable to wealth management accounts. Certain broker-dealers receiving commissions from Bailard clients provide Bailard with research and brokerage products or services that Bailard uses to service other wealth management accounts, 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, 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 an Institutional Custody/Brokerage Program" above and Item 14—Client Referrals and Other Compensation below, Bailard receives benefits and executes trades for client accounts through the broker-dealer that sponsors the Institutional Custody/Brokerage Program. 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.

E. 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 and 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.

F. 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.

G. 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 are 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 the 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 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 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 fixed-income clients and for the fixed-income portion of 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 on the accounts' size, tax status, and investment strategy. Smaller wealth management accounts might not participate in certain bonds or ETF blocks.

Wealth management client accounts are held at several different banks 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") and (b) various banks (the "Bank Block"). Priority in trading is rotated between these two categories of custodians on a monthly basis to avoid favoring one group of clients over others.

H. 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 the trades in their accounts. Similarly, some clients may have complex investments or operational restrictions ("complex accounts") that necessitate that their accounts receive additional review before trades can be executed. 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, 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 non-discretionary accounts. Within this second group of accounts, *non-directed* accounts will again have priority over *directed* accounts.

Complex and non-discretionary accounts generally will not participate in the aggregated trades executed at Schwab or various banks (Schwab 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, consistent with our trade priority policy, non-discretionary client trades are generally placed after those of discretionary accounts when executing block trades across client 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 those of discretionary, non-complex accounts.

WHAT DOES THIS MEAN FOR CLIENTS?
Clients are encouraged to consult with Bailard about the impact complex accounts 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.

I. 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 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, it 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 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 the portfolio manager's 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 is terminated by Bailard during the due diligence process.

ITEM 13 – REVIEW OF ACCOUNTS

A. Wealth Management Accounts

Multi-asset strategy (wealth management) client accounts are reviewed by the client's Investment Counselor in the event of a strategy change. 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 at least monthly.

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 for proper execution.

In addition, certain employees may assist with trade transactions and implement strategy changes as needed.

A committee (consisting of our Chief Investment Officer, Performance Analyst, members of the Compliance team and certain senior Investment Counselors) performs a quarterly review of performance and asset allocation for client accounts.

We generally provide quarterly reporting to our clients, although some clients receive reports monthly. 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 smaller clients, although there are those with whom we meet from time to time.

We may also periodically provide tax reporting to clients and/or their accountants upon request. For income tax reporting and payment purposes, clients should rely on custodian and other source tax documents rather than any Bailard reporting.

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

B. Asset Management Accounts

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, except the fixed income 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. Fixed income accounts are traded on an "as-needed basis."

Operations and research teams also regularly review client accounts 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 and analysis by various team members.

We send reports to separately managed account and subadvisory clients at least quarterly; however, the schedule and contents of reports are tailored to the 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.

<u>THE REAL ESTATE FUND</u>
Bailard reviews the consolidated monthly financial reports (e.g., 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.

<u>The EOF</u>
Bailard reviews the monthly reports (e.g., 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 EOF investors.

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 and 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 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 that of 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, with a third-party investment adviser, and with an individual who had previously owned a financial planning business.

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. Schwab makes referrals through its proprietary services, which are 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 Schwab 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 the 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 their clients to Bailard to invest 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 and, separately, with an individual who had previously owned a financial planning business. Under these arrangements, 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.

Bailard may enter into other solicitation arrangements in the future.

C. Other Compensation

We receive an economic benefit from Schwab as the sponsor of an Institutional Custody/Brokerage Program (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 Schwab as a result of this arrangement. However, we benefit from these arrangements because the cost of these services would otherwise be borne directly by us, which 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 an Institutional Custody/Brokerage Program").

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 safekeeping 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, it 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 small number of wealth management clients who have signed non-discretionary contracts and must be contacted prior to any security purchase, 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 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 when voting proxies for specific 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 management;
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 ISS's at least annual due diligence and periodic monitoring/testing of its services.

For accounts where Bailard has no 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.