BAILARD

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Form ADV Part 2A
(the "Brochure")

August 14, 2026

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 May 29, 2026. We made non-material editorial revisions throughout the Brochure, including typographical corrections and other clarifications intended to improve the accuracy and readability of the Brochure. No changes were made to our services, fee schedules, conflicts of interest, investment strategies, ownership structure, or other material business practices.

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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 87 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 53 key professionals was 14 years as of March 31, 2026. Of the professional staff, 75% had 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 19 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, comprised of six directors: four outside directors and two Bailard employees, Sonya Mughal (Chief Executive Officer) and Michael Faust (President, Wealth Management).

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, 2026, the ownership of BB&K Holdings, Inc. was distributed among 67 employee-owners who controlled 58% of BB&K Holdings. We feature high equity ownership across our employees, with 77% of the employee base owning stock as of March 31, 2026. 28 former employees owned 15%, and 21 outsiders, all individuals, owned the remainder.[1] As of March 31, 2026, the Firm was 55% women- and minority-owned.

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, technology, real estate, third-party investment solutions, alternative investments (including third-party pooled vehicles), and sustainable, responsible, and impact investments, which is discussed further below. Clients' investment objectives, financial circumstances, risk tolerance, and tax issues are considered when building client portfolios. As active investment managers, we make shifts in asset allocation in response to changing economic and market conditions.

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.

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

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 herein 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.

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 scoring framework with suitability assessments on particular securities to determine if they are appropriate within a particular strategy or in light of the client's stated preferences. In addition, clients may elect to exclude industries or securities that conflict with their values. Our aim is to help our clients balance their financial, social and environmental objectives.

OTHER SERVICES

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.

In addition, depending on client preferences and needs, the services we offer to wealth management clients may include:

- Estate plan consultation with our Director of Estate Strategy
- Charitable giving
- Concentrated stock management
- 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, employee incentive stock options, restricted stock units)
- Consultation on outside commercial real estate exposure

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 and other 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. Bailard serves as sub-adviser to certain registered investment companies affiliated with Nationwide Fund Advisors ("NFA"), including the Nationwide Bailard International Equities Fund, the Nationwide Bailard Small Cap Value Fund (formerly, the Nationwide Bailard Cognitive Value Fund), and the Nationwide Bailard Technology Fund (formerly, the Nationwide Bailard Technology & Science Fund) (collectively, the "Nationwide Bailard Funds"). Bailard's role as sub-adviser to these funds and the related compensation arrangements create a conflict of interest, as described in Item 11. Additional information regarding fees and compensation is provided in Item 5.

POOLED VEHICLES

We currently manage Bailard Real Estate Investment Trust, Inc., which is an affiliated, unregistered pooled vehicle.

As of the date of this Brochure, Bailard has formed the Bailard Multifamily Fund, L.P. with the intent to launch based on future market conditions.

Investments in affiliated pooled vehicles present conflicts of interest; see Items 5 and 11 for additional information regarding fees, compensation, and related conflicts.

MODEL PORTFOLIO PROVISION

Bailard participates as a model portfolio provider ("Model Provider") for a Unified Managed Account (UMA) program sponsored by an unaffiliated third-party firm. Within a UMA, another party called an "Overlay Manager" is responsible for implementing trades and managing the allocation of assets across the various strategies in the account, based on models provided by firms like Bailard.

As a Model Provider, Bailard provides non-discretionary investment recommendations to the Overlay Manager in the form of a model portfolio, which is used by the Overlay Manager to build and manage client portfolios within the UMA structure. These recommendations may include specific securities (such as stocks or ETFs) along with their respective weights or quantities.

Bailard does not provide personalized advice to UMA clients and does not interact directly with them. All such clients are considered clients of the Overlay Manager, not of Bailard. Because Bailard does not manage any UMA client assets directly, it does not have trading authority over the UMA accounts. Instead, the Overlay Manager is solely responsible for executing trades, rebalancing portfolios, and liaising with custodians on behalf of the UMA clients.

Bailard's compensation as a Model Provider is based on assets allocated to its models, and because Bailard does not control implementation by the Overlay Manager, differences in execution or portfolio construction may impact client outcomes.

E. Client Assets Under Management

Bailard's total assets under management were $7.56 billion (including $7.51 billion discretionary and $47.50 million non-discretionary assets) as of March 31, 2026.

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 taking into consideration a variety of factors, including the amount of assets under management, the scope of services provided, related accounts, legacy fee arrangements, and other relevant circumstances. Advisory fees are established based on the specific characteristics of each client relationship and therefore may differ among clients.

A. Investment Advisory Fees for Wealth Management Clients

For wealth management clients, the investment advisory fee is payable quarterly in advance, based upon the net value of the portfolio on the last day of the preceding quarter, utilizing the valuations available to Bailard at the time the invoice is prepared, net of any credits. The standard annual investment advisory fee schedule for wealth management clients is 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

Please see Item 5. B. for a description of the standard fee schedule for fixed income-only clients.

We generally bill clients during the month after each calendar quarter end. Clients receive an invoice(s) showing the fee calculation. In cases where valuations are subsequently restated, Bailard will not retroactively recalculate advisory fees or adjust previously issued invoices.

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 advisory fee for that quarter and either issue a partial bill or a refund of fees previously paid in advance.

The initial investment advisory fee for clients who open an account during the quarter is calculated by multiplying their normal quarterly advisory 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.

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 advisory fee after credits cannot be less than zero. In other words, Bailard will not be obligated to refund an amount greater than the fees paid in advance by the client. Clients may terminate their relationship at any time with written notice.

In some instances, such as concentrated stock positions, low-basis securities, or client-directed investments, Bailard may place a security in a non-billable category called "Unmanaged Assets." No advisory 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 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. Fee schedules may differ based on relationship size, service requirements, legacy arrangements, and other factors. 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.

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
Infrastructure	1.00% 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

Strategy Name	Fee Schedule
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
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

The specific way Bailard charges fees is delineated in the client's investment management agreement 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.

Investment advisory fees for fixed-income strategies are calculated and billed in the same manner as for wealth management clients. See Item 5. A. for details.

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 Multifamily Fund), 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 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.

We have different fee schedules, investment minimums, and fee arrangements with different clients. Fee schedules may differ based on relationship size, service requirements, legacy arrangements, and other factors.

MODEL PORTFOLIO FEE

Where Bailard provides a model portfolio in a UMA program, Bailard receives compensation from the Overlay Manager based on the assets assigned to its Model Portfolio.

POOLED VEHICLES FEES

Bailard Real Estate Investment Trust, Inc. (the "Real Estate Fund" or "BREF")

The following describes the material fees and compensation arrangements applicable to BREF, including the investment management fee, operating fee, and certain related economic arrangements. This summary is qualified in its entirety by BREF's offering memorandum and related governing documents.

Investment Management Fee

Pursuant to an investment management agreement between BREF and Bailard, BREF pays Bailard an annual investment management fee of i) 0.85% of the Net Asset Value up to and including $750 million and ii) 0.75% of the Net Asset Value above $750 million for these investment advisory services, as well as the reimbursement of any direct out-of-pocket expenses incurred by Bailard in providing services to the Fund.

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.

Like other investors in BREF, wealth management clients bear their proportionate share of the fees and expenses that BREF charges its shareholders. However, to avoid "double billing," wealth management clients who invest in BREF are credited their pro-rata share of the investment management fee paid to Bailard by BREF. 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 BREF were excluded from the calculation of the wealth management advisory fee. See Item 11 for a discussion of conflicts of interest associated with these arrangements.

Operating Fee

In addition to the investment management fee described above, BREF pays Bailard an annual operating fee of 0.35% of the first $500 million of Net Asset Value of the Fund Properties, 0.25% of the next $500 million of Net Asset Value of the Fund Properties, and 0.15% of the Net Asset Value of the Fund Properties above $1 billion,

where Net Asset Value of the Fund Properties is the gross value of the property portfolio less deductions for debt and for the interests of its operating/development partners.

Wealth management clients do not receive a credit for the operating fee that Bailard receives from BREF.

Joint Venture Fees

BREF has and will, from time to time, enter into joint venture arrangements with certain operating and/or development partners ("JV Partners") of its choosing. Some of those joint venture arrangements may include provisions that would enable the venture partner to receive a disproportionate share of proceeds from a capital event if, but only if, the investment returns exceed certain pre-determined hurdles. This disproportionate share is usually referred to as a "promote" and is typical in the institutional real estate investment business.

The promote allocated to JV Partners could incentivize JV Partners to maximize their 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. This structure helps protect the Fund's interests and limits a JV Partner's ability to act solely in its own interest. The promote allocated to JV Partners is separate from and does not offset the investment management fee or the operating fee payable to Bailard.

Bailard may have alternative fee arrangements, external to BREF, with certain stockholders. These arrangements with certain stockholders do not affect the fees or expenses payable by BREF or borne by other stockholders.

Bailard Multifamily Fund, L.P. (the "Multifamily Fund")
Once the Multifamily Fund 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

Small Cap Value Fund, and the Nationwide Bailard Technology Fund (collectively, the "Nationwide Bailard Funds"), Bailard is paid an annual subadvisory fee by Nationwide Fund Advisors ("NFA") pursuant to a tiered fee schedule based on assets under management, generally ranging from approximately 0.275% to 0.325% of assets.

In addition, NFA pays Bailard, from NFA's own resources, a fiduciary fulfillment fee every month at the following annual rates:

- 0.125% (12.5 basis points) of the daily net assets of the Class M shares of the Nationwide Bailard International Equities Fund; and
- 0.155% (15.5 basis points) of the daily net assets of the Class M shares of the Nationwide Bailard Small Cap Value Fund and the Nationwide Bailard Technology Fund.

Bailard wealth management clients who invest in the Nationwide Bailard Funds do so through the Class M shares. Like other investors in the Funds, Bailard clients bear their proportionate share of the fees and expenses each Nationwide fund charges its shareholders. However, to avoid "double billing," Bailard wealth management clients investing in any of the Nationwide Bailard Funds are credited their pro-rata share of the subadvisory fee and fiduciary fulfillment fee paid to Bailard by NFA. The amount of the credit will not exceed the advisory fee otherwise payable to Bailard. See Item 11 for a discussion of conflicts of interest associated with these arrangements.

C. Other Fees

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. Margin interest, where applicable. Bailard does not recommend using margin but will counsel clients on its use if a margin transaction is specifically requested.

Furthermore, where clients invest in third-party investment strategies, solutions, or products (such as third-party sub-advised accounts, mutual funds, ETFs, exchange funds, or pooled investment vehicles), they will generally bear fees at both the Bailard advisory level and the underlying investment level. These underlying fees are set by the applicable sponsor or manager, and Bailard does not control such fees. Details are provided in the relevant offering or disclosure documents.

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. BREF 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.

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

Bailard does not currently receive performance-based fees or allocations from any client accounts.

Bailard or its affiliates may in the future advise pooled investment vehicles that charge

performance-based fees or allocations. If such arrangements are in effect, they may create an incentive for Bailard to make investments that are riskier or more speculative than would otherwise be the case, or to favor accounts that pay such fees over other client accounts.

To mitigate these potential conflicts, Bailard has adopted side-by-side management and trade allocation policies and procedures designed to promote the fair and equitable treatment of client accounts.

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 million, which is negotiable. There is no minimum account size for smaller accounts associated with existing 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 Infrastructure Quality Growth Small Cap Value Smart SRI ADR Smart SRI US All Cap Technology
$20 Million	International International ex-Energy
$25 Million	Micro Cap Value
$100 Million	Real Estate

In some circumstances, investment minimums are waived.

We also provide non-discretionary investment recommendations through a model portfolio to an overlay manager as part of our participation in a third-party UMA program. We do not impose any asset minimums on the overlay manager.

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.

We may also recommend third-party strategy or pooled vehicles as part of a client's portfolios, which may involve risks such as limited liquidity, third-party manager discretion, complex tax treatment, layered fees, and reduced transparency. Bailard and its supervised persons do not have a proprietary interest in, or discretionary control over, third party investment products or pooled vehicles that may be recommended to clients. Bailard does not receive placement fees, referral fees, revenue sharing, or other compensation from third party investment sponsors or managers. Bailard's recommendations of third-party investment products are not influenced by compensation arrangements with such sponsors. Recommendations of third party solutions are made solely in Bailard's capacity as an investment adviser and are subject to its fiduciary duty and Code of Ethics.

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.

For portfolios managed under the SRII umbrella, we use data from sustainable and responsible research vendors and/or proprietary research to create an overall proprietary score on the environmental, social and governance aspects of investment securities. We apply optional screens at the client's direction to remove industries or securities inconsistent with their values. We then customize the investment portfolios in an attempt to meet each client's sustainable and responsible investing preferences.

B. Single-Asset Strategies

Our single-asset investment strategies include equity, fixed-income, and alternative investments, and can be provided to separate accounts of individuals or entities.

EQUITY STRATEGIES

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. Infrastructure Equity

   In managing the Infrastructure Equity Strategy, Bailard applies a combination of fundamental research, thematic analysis, and qualitative judgment to identify companies that play a functional role in essential infrastructure systems. Companies may derive revenues from one or more infrastructure-related activities, and individual investments may be exposed to multiple infrastructure themes simultaneously. Portfolio construction reflects Bailard's assessment of long-term demand drivers, competitive positioning, valuation, and company-specific risks. The strategy may invest in securities of both U.S. and non-U.S. issuers, including American Depositary Receipts ("ADRs") and other securities that provide exposure to foreign markets.

3. International

   This strategy is actively managed and offers broad developed and emerging market exposure. 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 the greatest overweight in 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 in 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 value 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, we use our proprietary framework 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 various factors, such as the nature of their business. We employ other stringent risk controls to limit volatility and minimize unexpected outcomes. Economic cycle exposure is controlled by limiting economic subsector 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, we use our proprietary framework 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 various factors, such as the nature of their business.

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 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. Our proprietary process scores responsible and sustainable attributes to uncover leaders and avoid laggards to help mitigate long-term portfolio risk. The strategy minimizes or avoids investments in fossil fuels, controversial weapons, and a number of products that adversely affect society. 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 combines high responsible and sustainable investing standards with our proprietary framework and portfolio optimization techniques to deliver a U.S. equity portfolio with a low tracking error to the Russell 3000 Index. Our proprietary process scores responsible and sustainable attributes to uncover leaders and avoid laggards to help mitigate long-term portfolio risk. The strategy minimizes or avoids investments in fossil fuels, controversial weapons, and a number of products that adversely affect society. 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 deep competitive moats, attractive long-term revenue and earnings growth, and a pipeline of innovation.

    We seek to limit industry-specific risk by diversifying our technology exposure across the sector's major industry groups.

FIXED INCOME STRATEGIES

11. 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 into 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 aimed at confirming that 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.

12. 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

13. 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.

14. 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 some 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.

- 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.

- 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.

- 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.

- 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.

- Changes in Government Regulations, Incentives and Tariffs

Certain strategies are 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.

- 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 investor 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.

- 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.

- 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.

- 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.

- 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.

- 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.

- 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.

- 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.

- 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.

- 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.

- 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.

- 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.

- 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 their investments. The market value of such investments

can decline in value in times of higher inflation rates.

- Infrastructure-Related Investment Risks

Companies involved in infrastructure-related industries may be subject to a variety of risks, including regulatory changes, political risk, interest rate sensitivity, capital intensity, technological change, and dependence on government policies or spending. Adverse regulatory or economic developments could negatively affect the value of infrastructure-related investments.

In addition, strategies with thematic exposure to infrastructure may experience periods of performance that differ materially from broader equity markets, particularly when investor sentiment shifts away from capital investment, industrial activity, artificial intelligence investment, energy transition spending, or other infrastructure-related themes. Because thematic strategies often concentrate exposure in industries with shared economic drivers, such investments may exhibit heightened volatility and may underperform broader markets for extended periods.

To the extent the strategy invests in non-U.S. securities or ADRs, it is also subject to the foreign investment risks described above, including currency fluctuations, political and economic instability, and differences in accounting and reporting standards.

- 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.

- 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.

- 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.

- Liquidity Risks

Investments in small cap 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.

- 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.

- 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 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.

- 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.

- Bailard Real Estate Fund Risks

BREF 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 BREF.

- Bailard Real Estate Fund Joint Venture Risks

Investments that BREF 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 BREF.
- 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 in resolving any deadlock.

- Risks Associated with Artificial Intelligence ("AI")

Advances in artificial intelligence and related technologies may materially affect industries, company performance, and the valuation of securities. Outcomes associated with AI adoption remain uncertain, and companies may be adversely affected if anticipated benefits do not materialize or if they fail to adapt to technological change. In addition, reliance on complex data and models, evolving regulation, and the potential for increased market correlation among AI-driven strategies may contribute to volatility and negatively impact an account's investments.

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. However, Bailard does not use AI to make discretionary investment decisions, and any use of AI tools is non-determinative and subject to human review and validation.

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.

- 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.

- 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 diversified portfolio.

- 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 short positions.

- 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.

- 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.

- 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.

- Third-Party Investment Solution/Product Risks

As part of its advisory services, Bailard may recommend that clients invest in third-party investment strategies or pooled investment vehicles. Such investments may involve additional risks, including limited liquidity, extended holding periods, reliance on third-party managers, reduced transparency, complex tax treatment, and layered fees and expenses. Clients may have limited or no ability to influence investment decisions, valuation, or the timing and nature of liquidity events. These risks may cause such investments to perform differently, and in some cases more adversely, than traditional separately managed accounts or publicly traded securities.

- 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 an affiliated pooled vehicle, BREF. See Item 5 – Fees and Compensation for information about the fees charged by BREF.

In addition, as previously noted, Bailard has formed, but has not launched, the Multifamily Fund. Bailard Real Estate 2022 GP LLC, a Bailard affiliate, serves as the general partner of the Multifamily Fund.

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

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

A. Code of Ethics and Personal Trading Policy

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

- Establish guidelines for professional conduct;

- Prioritize our clients' interests;
- 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 are associated with certain clients. In general, such donations are made in response to requests from clients or their staff. Because such contributions may result in the recommendation of our firm or our services, such contributions may raise a potential conflict of interest. All contributions are made directly to the charitable organization (normally a 501(c)(3) organization). No contribution will be made if the contribution implies that continued or future business with our firm or our supervised person depends on making such 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

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 and in accordance with our fiduciary duty.

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

1. Nationwide Bailard mutual funds for which Bailard is the sub-adviser and receives a sub-advisory and fiduciary fulfillment fee.
2. An affiliated pooled vehicle, i.e., BREF, to which Bailard serves as investment manager and operating manager. BREF pays Bailard an investment management fee and an operating fee.

Because Bailard receives investment management/advisory fee compensation at both the advisory account level and the fund level (subject to fee credits), this creates an incentive to recommend

related securities.

Bailard seeks to mitigate the conflicts associated with layered compensation as follows. Wealth management clients who invest in BREF and/or the Nationwide Bailard Funds are credited their pro-rata share of the BREF investment management fee and of the Nationwide subadvisory fee and fiduciary fulfillment fee paid to Bailard so that clients do not bear duplicative advisory fees on the same assets. [2]

In addition, a client's investment in 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.)

Bailard has discretion, in certain cases, to determine whether and to what extent client assets are allocated to related securities.

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

Some 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

[2] The total credit will not exceed the advisory fee otherwise payable to Bailard.

security in all affected accounts, or selling short the same securities in all affected accounts). These trades may also occur in opposite directions (that is, buying the same security in one account (or accounts) while selling it or selling it short in other accounts 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 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. 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.

BAILARD REAL ESTATE FUND'S JOINT VENTURES

BREF, 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 their 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 BREF.
- 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 in resolving 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. Bailard maintains an approved list of broker-dealers and periodically evaluates broker performance and execution quality through internal oversight processes.

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 will 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. [3] Certain trades, e.g., ETFs, may not incur commissions or transaction fees. Schwab is

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

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 capable of providing best execution for a particular transaction, Bailard may select brokers that also provide research or brokerage services. Bailard also participates in commission-sharing arrangements ("CSAs"), under which commissions generated by one broker may be allocated to another broker that provides research or brokerage services. In some cases, Bailard uses CSA aggregation arrangements that transfer credits generated from trades executed by non-CSA brokers to CSA brokers, which then apply those credits toward eligible research services.

These practices may result in clients paying commissions to a broker that are higher than those another broker might have charged. The receipt of research or other benefits creates an incentive for Bailard to select or recommend brokers that provide such benefits over those that do not. To mitigate this conflict, in selecting brokers under these arrangements, Bailard makes a good faith determination that the commission is reasonable in relation to the value of the research and brokerage services received, viewed in terms of either the specific transaction or Bailard's overall responsibilities to client accounts. The receipt of such services does not reduce Bailard's obligation to perform its own research.

Commissions generated by trades in asset management accounts may produce soft dollar credits, whereas commissions generated in wealth management accounts generally 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 its use of soft dollars falls within the Section 28(e) safe harbor. Where services

have both qualifying and non-qualifying uses, Bailard reasonably allocates costs, pays for the non-qualifying portion, and maintains procedures to review and approve such arrangements.

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. Client-directed brokerage arrangements may result in less favorable execution or higher transaction costs than would otherwise be achieved. 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 when trades are aggregated.

We take into account the best interests 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.

H. Trade Rotation Policy

Wealth management client accounts are held at several different banks and broker custodians, each of whom may custody multiple accounts. Bailard's trading department follows procedures intended to promote the equitable placement of orders across these custodians. Currently, separate

block orders are created for accounts custodied at (a) Schwab (the "Schwab Block"), (b) Fidelity (the "Fidelity Block") and (c) various banks (the "Bank Block"). Priority in trading is rotated between these three categories of custodians on a monthly basis to avoid favoring one group of clients over others.

I. 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 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.

J. 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 (BREF 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.

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.

BAILARD REAL ESTATE FUND

Bailard reviews BREF's 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 BREF.

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 promote compliance with the other requirements under the Investment Advisers Act of 1940, to the extent required by law.

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

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.

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 referral arrangement with an investment advisory firm. Under this arrangement, Bailard would pay a portion of the referred client's management fee earned by Bailard to the referring party. The referral fee will be paid entirely by Bailard and not by 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 referral 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 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 of 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 BREF, 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 support voting 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.

We have engaged Institutional Shareholder Services ("ISS"), a third-party service provider, to vote in accordance with ISS' SRI proxy voting guidelines as updated from time to time ("ISS Guidelines"). Bailard generally does not allow the option for clients to direct the votes in a particular solicitation.

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 demonstrate independence, diversity of experience and perspective, and responsiveness to shareholders;
2. Seek to promote transparency and integrity in financial reporting by generally voting for management's recommendation to ratify the auditor, unless the independence of the auditor or the integrity of the audit has been compromised, non-audit fees exceed audit fees, or poor accounting practices raise serious concerns;

3. Seek to incentivize employees and executives to improve company performance by supporting executive compensation programs that are primarily performance-based, fair and reasonable, and not structured in a way that encourages excessive risk-taking;
4. Seek to protect shareholders' rights by supporting changes in corporate governance structures only when they are consistent with shareholders' interests; and
5. Generally support social and environmental shareholder proposals that promote responsible corporate citizenship and enhance long-term shareholder and stakeholder value, including proposals requesting additional disclosure where companies may not have adequately addressed shareholders' social, workforce, or 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 or when Bailard concludes that ISS' recommendation does not reflect the best interests of clients.

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 higher than any benefit to our clients.

Bailard conducts annual due diligence of ISS and performs 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 their 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.