

Small Cap Value ESG Equity Strategy

Investing in responsible companies that appear under-scrutinized, irrationally mispriced, and attractively valued

Q4 2022

QUARTERLY UPDATE

Bailard
Asset Management

Market Commentary

Q4 2022 UPDATE

Q4 performance was generally strong and helped to take at least some of the sting out of a bad year for domestic stocks.

Persistent inflation, a hawkish Federal Reserve and a weak economy all combined to make 2022 a period that most equity investors would prefer to forget.

Value stocks were the place to be in Q4 and for the full year, as interest rates remained elevated after rising sharply for the first ten months of 2022, keeping investor time horizons short.

The threat of a weakening economy persists, with the Wall Street consensus putting the odds at 65% for a recession within the next 12 months. At the same time, valuations, at least for small caps, appear to be discounting a substantial downturn already.

The fading fear of a slowdown that has not come to fruition, combined with improving inflation news and some attractive valuations is likely to drive bargain hunting behavior in the New Year, particularly in lower quality stocks. Our expectation is that any rally in lower quality stocks should be short-lived unless economic conditions markedly and rapidly improve.

Micro cap stocks trailed small cap stocks for the quarter, perhaps due to economic concerns.

Small cap ESG companies (as measured by the MSCI USA Small Cap ESG Leaders Index) slightly outperformed their comparable non-ESG focused counterparts in Q4 and won for the full year, in spite of it not being a great year headline-wise for ESG.

MARKET INDICES TOTAL RETURN

	QTR	YTD	1 Year	Comments
S&P 500 Index	7.6%	-18.1%	-18.1%	A strong quarter to finish a tough year.
Russell 1000 Growth Index	2.2%	-29.1%	-29.1%	Value beat growth across the capitalization range
Russell 1000 Value Index	12.4%	-7.5%	-7.5%	
Russell 2000 Growth Index	4.1%	-26.4%	-26.4%	Large cap value beat small cap value, but small cap growth beat large cap growth in Q4.
Russell 2000 Value Index	8.4%	-14.5%	-14.5%	
Russell Micro Cap Value Index	6.1%	-16.7%	-16.7%	Micro cap trailed small as eventual recession fears grew.
MSCI USA Small Cap Index	7.9%	-17.6%	-17.6%	ESG leaders outperformed as energy stocks fell.
MSCI USA Small Cap ESG Leaders Index	8.2%	-15.9%	-15.9%	

Data through December 31, 2022. Source: Morningstar. The total return performance of these market indices does not represent the past or future performance of any Bailard strategy, account or product. **Past performance is no indication of future results.** All investments have the risk of loss. Please see the Market Index section of page 20 for additional information.

Performance Commentary as of December 31, 2022

Q4 2022 PERFORMANCE¹

The Strategy delivered a sizable relative win against the benchmark Russell 2000 Value Index in Q4 and outperformed for the full year of 2022, as well. Additionally, the Strategy posted a positive active net of fee return for the 3-, 5- and 10-year periods (annualized). The Strategy's relatively higher exposure to micro cap value stocks acted as a drag on performance for both the quarter and trailing 12 months, but our longer-term confidence in micro cap value remains strong.

TOTAL RETURN NET OF FEE^{1, 2}

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years
Bailard Composite	10.86%	-12.39%	-12.39%	9.28%	5.94%	9.16%
Russell 2000 Value Index	8.39%	-14.50%	-14.50%	4.67%	4.11%	8.46%
Russell Micro Cap Value Index	6.09%	-16.69%	-16.69%	6.10%	4.99%	9.69%

ACTIVE RETURN NET OF FEE^{1, 2}

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years
Vs. Russell 2000 Value Index	2.47%	2.10%	2.10%	4.61%	1.83%	0.70%
Vs. Russell Micro Cap Value Index	4.77%	4.30%	4.30%	3.18%	0.95%	-0.53%

¹ The "Bailard Composite" is the Bailard, Inc. Small Cap Value Composite. The Bailard Small Cap Value Composite includes a Bailard Asset Management portfolio invested solely in small and micro capitalization U.S. equities that exhibit value characteristics. The benchmark is the Russell 2000 Value Index. The indices presented do not have fees. **Past performance is no indication of future results.** Please see additional performance on page 10. See pages 18-20 for market definitions and important disclosures. Sources: Morningstar, Bloomberg.

² Active return is the difference between the return of the strategy and the return of the index. Performance statistics are annualized for periods greater than one year.

Attribution Commentary as of December 31, 2022

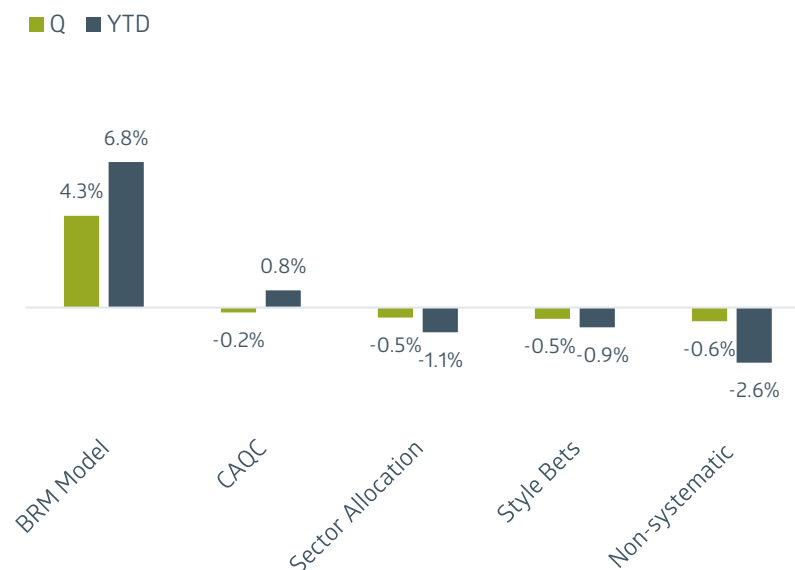
Q4 2022 ATTRIBUTION

Our primary stock selection tool, the multi-factor Bailard Ranking Model (BRM), delivered outstanding results for the quarter. Our Quality factor again produced positive results in both small cap and micro cap models. Value and Hype (excessive investor attention) factors were nicely additive as well. Our proprietary Analyst Herding Bias factor continued to deliver good results, while Anchoring Bias was flat in small cap and detracted slightly in micro cap.

Of our subsector-specific stock selection models, the pharma & biotech and bank models produced positive results, the REIT and insurance models very slightly detracted, and the utility model produced negative results.

Sector allocation was slightly negative for the quarter. Style bets detracted to a similar degree, with micro cap bets lagging most likely due to increasing recession fears. CAQC (Curated Assessment of Qualitative Conviction, our proprietary measure of sophisticated investor interest in stocks that lack quantifiable appeal) trailed slightly as the more growth-oriented holdings here underperformed small value stocks overall. Our non-systematic tilts (e.g., more solutions companies, among others) and individual stock selection in the growthier and larger ends of the small cap value stock spectrum also detracted in Q4.

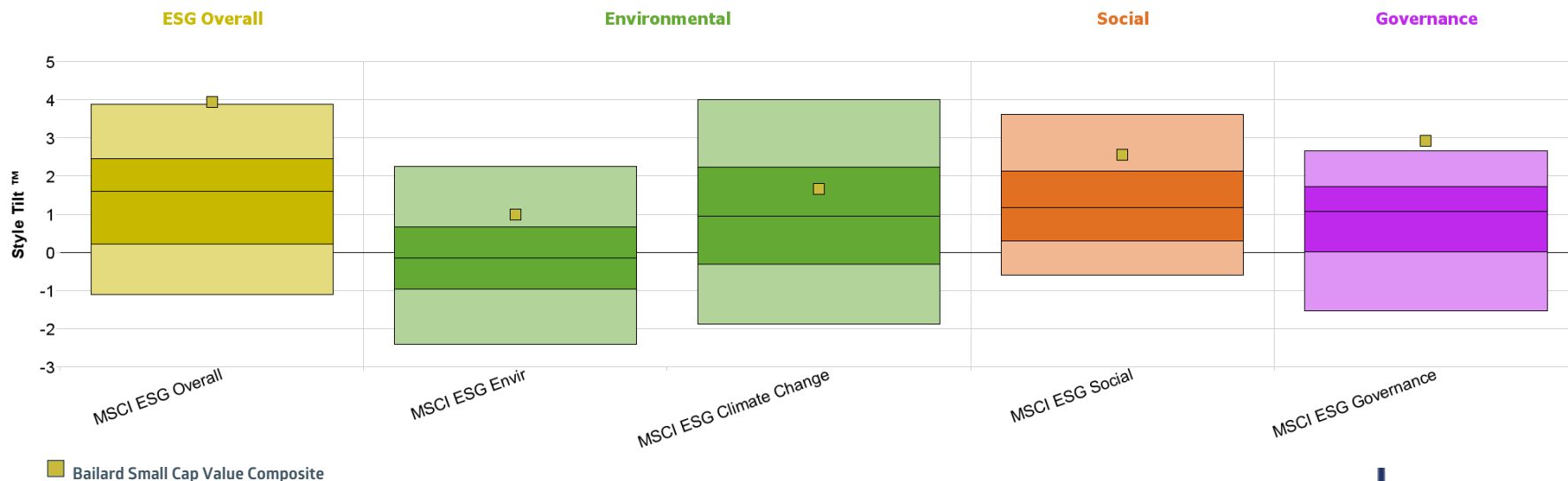
BAILARD COMPOSITE ATTRIBUTION VS. BENCHMARK (TOTAL RETURN)*



* The benchmark is the Russell 2000 Value Index. Please see pages 18-20 for important disclosures. Our Behavioral Ranking Model (BRM) is a proprietary, multi-factor, quantitative tool for determining relative stock attractiveness within each of the 24 economic sub sectors. CAQC (Curated Assessment of Qualitative Conviction) is our proprietary measure of sophisticated investor interest in stocks that lack quantifiable appeal). **Past performance is no indication of future results.** Sources: Russell, Bailard.

Third-Party Validation of ESG Focus

Company size bias highlights the importance of making ESG comparisons within the appropriate universe.



Source: Style Analytics (holdings-based factor exposure / tilt analysis tool). The Peer Style Skyline™ displays the distribution of the benchmark relative MSCI ESG factor exposures calculated for all constituents within the identified peer group, eVestment's U.S. Small Cap Value Equity universe. The benchmark is the Russell 2000 Value Index. Inner and outer quartiles of the distribution are designated for each factor using darker and lighter shaded sections. To learn more about the MSCI ESG factors, please visit <https://www.msci.com/documents/1296102/21901542/ESG-Ratings-Methodology-Exec-Summary.pdf>

Holdings data is as of September 30, 2022 given lagged new quarter data. There were 201 constituents included from eVestment's U.S. Small Cap Value Equity universe. The top and bottom 5% (outliers) are excluded. The eVestment U.S. Small Cap Value Equity universe consists of US equity products that primarily invest in small capitalization stocks that may be trading at prices lower than their fundamental or intrinsic value. The members of this universe may or may not be similar to the Bailard Small Cap Value Composite. Please see <https://www.evestment.com> for more information.

Neither StyleAnalytics nor eVestment require members of the universe to subscribe in order to be included in peer comparisons; however, Bailard pays a subscription fee to StyleAnalytics and eVestment for access to their respective database and analytical tools.

The Russell 2000 Value Index is a commonly used index that measures the performance of the small-cap value segment of the U.S. equity universe. It includes those Russell 2000 Index companies with lower price-to-book ratios and lower forecasted growth values.

Factor tilt interpretation guidelines: +/-0.5 Benchmark like, +/-1.0 Compelling deviation from benchmark, +/-2.0 Very significant deviation from benchmark.

Small Cap Value ESG Outlook

OVERVIEW

Historically significant return drivers for small cap value stocks are producing mixed signals. Valuation factors are compellingly attractive, but sentiment, the dollar, and the economic outlook are now negative. This suggests that while any significant underperformance is doubtful, outperformance seems currently unlikely as well.

Small cap value is currently trading at a 44% discount to its 20-year average valuation levels. As we stressed last quarter, such an enormous discount has only occurred three other times over the past 32 years. In each other instance, these outsize discounts were followed by very strong subsequent returns, averaging 57% gains over the next 12 months, and 120% gains over the following three years.

CURRENT P/E TO 20-YEAR AVERAGE*

As of 12/31/2022	Value	Growth
Small	56.0%	61.1%
Large	81.9%	104.0%

Value vs. Growth

While small cap value stocks have historically outperformed in most portions of the economic cycle, they typically do best in the early stages of economic recovery, and when economic growth is strong. While the Fed continues to talk tough, inflation appears to be moderating, which could lead to lower interest rates coming sooner than most expect. Lower rates may reduce the severity of any coming recession and produce a slim but non-zero chance of avoiding a recession entirely in 2023.

Value stocks of all sizes benefit from investors shortening their investment time horizons, as value stock typically deliver higher current earnings and dividend yields versus the more distant potential payoffs from growth stocks. Higher interest rates

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*We begin by creating an investable universe at the end of June of every year. Prior to June 2015, investable universe includes largest 3000 stocks trading in New York, American and Nasdaq Stocks Exchanges. We only select ordinary common shares of US companies (excluding ADRS, SBIs and Units). After June 2015, investable universe is the same as the Russell 3000 Index. We then split the universe as the top 3rd with respect to ranked Market Cap being large cap and the rest being small cap. Within each size bucket, we split the stocks into two groups using median P/B ratio of that respective category. Each stock is then kept in that same category until the June of next year. After June 2015, P/B value used for classification uses the most recently reported book value. Prior to June 2015, we don't have access to report dates, hence P/B value used for classification uses the book value from Q1 of each year.

Small Cap Value ESG Outlook (continued)

increase the discount rate applied to future earnings, making them less valuable today and thus, favoring value stocks. 10-year Treasury yields fluctuated in Q4, ending the period just slightly higher than where they began. If inflation truly is coming under control, interest rates may stabilize here.

Falling uncertainty increases confidence that distant prospective returns will materialize, increasing the appeal of growth stocks and decreasing the attractiveness of value stocks. Volatility and sentiment indicators (VIX, Put/Call Ratio) are on balance favoring growth.

Small Cap vs. Large Cap

Large cap companies derive more of their revenues and profits internationally than do small cap companies. A strong dollar makes U.S. goods and services relatively more expensive to foreign purchasers and also lowers the profits of U.S.-based companies' overseas operations when those profits are repatriated into U.S. dollars. The dollar fell precipitously in Q4, and this recent weakness may start to benefit larger companies relative to small.

If recession fears increase, it could drive investors toward perceived safe haven stocks; typically larger cap, less cyclical companies. While long periods of Fed tightening are typically

required to trigger a recession, this round of rate hikes have been steeper than usual, and economic growth is already weak. Whether a recession is imminent or not, small value stocks are trading at historically cheap levels, appearing to be fully discounting an economic downturn.

ESG Investing

ESG awareness and interest continues to expand, but at a slower pace than witnessed in recent years. The increasing realization that the transition toward cleaner energy may not be as rapid, smooth, or painless as some had earlier predicted has been a drag on ESG stocks this year.

Longer term, there is intuitive appeal to many aspects of ESG investing. Companies should expect to benefit from treating their employees and customers well. Effective resource stewardship ought to result in long-run cost savings. Good corporate governance should help to avoid negative externalities. As empirical evidence mounts to support these beliefs, ESG's attractiveness should continue to broaden.

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Small Cap Value ESG Outlook (continued)

SMALL CAP VALUE RETURN DRIVERS

	Positive	Neutral	Negative	Comments
Absolute Valuations	← ●			Historically undervalued.
Relative Valuations	← ●			Relatively cheap versus style alternatives.
Economic Cycle			← ●	The threat of recession continues to loom on the horizon, but the chances of a narrow escape have increased.
Interest Rates	● →			Rates rose slightly through the quarter and remain well above year ago levels.
Volatility/Sentiment			●	VIX fell early in the quarter and then stabilized, Put/Call Ratio was volatile but up, both favoring growth.
Earnings Revisions	●			Positive small cap revisions vs. negative large cap revisions over the quarter.
Dollar			●	The dollar fell significantly throughout the quarter, favoring large cap stocks.
ESG		●		Some investors are missing the ESG forest due to the recent struggles of the alternative energy trees.

Source: Bailard. All investments involve the risk of loss. As of January 11, 2022.

Small Companies Making a Big Difference

Beyond generally enlightened business practices, the companies profiled here each quarter are providing actual solutions to some of the major concerns of ESG investors.



ESG SOLUTIONS COMPANY FOCUS EXAMPLE: ACUITY BRANDS

“We use technology to solve problems in spaces, light, and more things to come... for our customers, our communities, and our planet.”

Acuity Brands (AYI) is an industrial technology company with expertise in lighting and intelligent space management. An estimated 86% of AYI’s revenues come from energy efficient products and services.

The company’s LED lighting solutions deliver cost savings and carbon avoidance for their customers. AYI’s daylight and occupancy sensors further reduce waste by providing illumination when needed. Their smart building control systems manage temperature, air circulation, lighting, automatic sun blinds and humidity and can anticipate changes required to maintain occupant comfort while lowering energy operational and maintenance costs by up to 30%.

AYI also offers interior asset location and navigation solutions that help to optimize business operations and reduce costs.

AYI has a broad commitment to ESG values. The company is transitioning to all-digital installation instructions. This should result in an estimated 259 tons of carbon avoidance, the equivalent of removing 642,000 passenger vehicle miles driven each year.

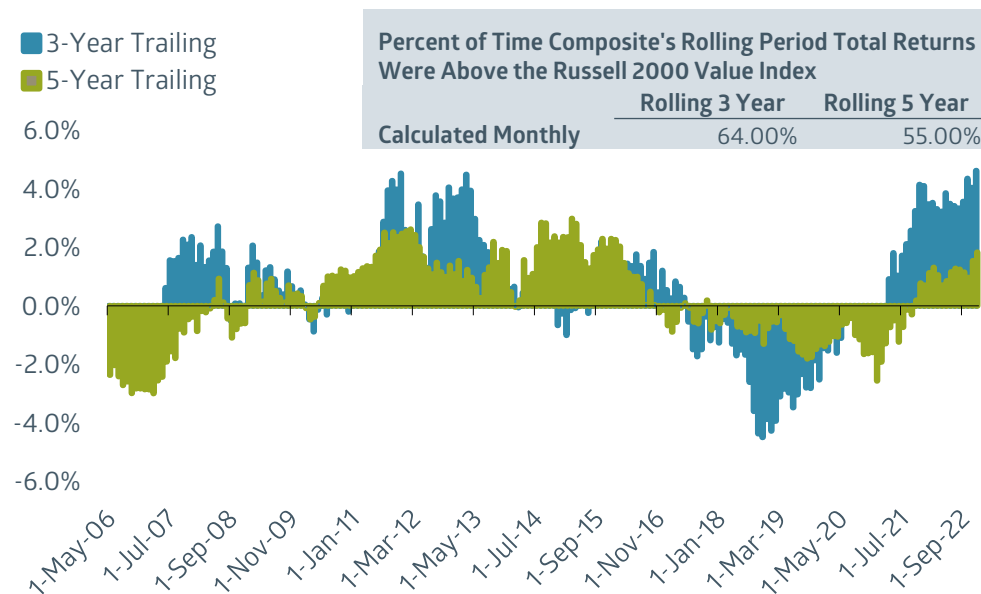
Efficiency is a major element in the transition away from fossil fuels, and AYI is a leading energy efficiency expert.

The reference to a specific security is intended only to *illustrate the type* of company/stock that Bailard’s portfolio Small Cap Value ESG Equity Strategy might hold. The company equity mentioned here was not a holding within Bailard’s Strategy portfolio as of December 31, 2022, and it does not represent any past, present, or future *recommendation* of Bailard.

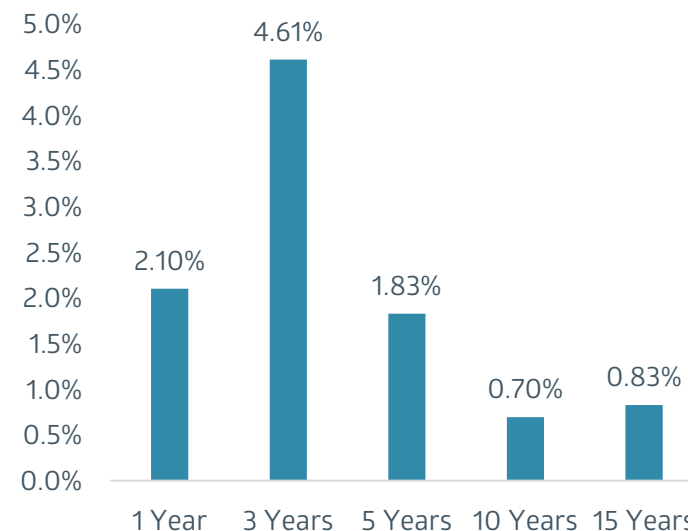
Performance: Portfolio Risk and Returns

Annualized Active Returns (Net) Against Russell 2000 Value Index^{1,2,3}

Rolling Periods, 5/31/2006 – 12/31/22



As of 12/31/22



Performance Summary as of 12/31/22

	TOTAL RETURN (ANNUALIZED FOR PDS > 1 YR)					ANNUALIZED STD. DEV.				SHARPE RATIO			
	1 Year	3 Years	5 Years	10 Years	15 Years	3 Years	5 Years	10 Years	15 Years	3 Years	5 Years	10 Years	15 Years
Composite (Gross of Fee)	-12.05%	9.69%	6.33%	9.56%	8.03%	27.02%	23.89%	19.31%	20.36%	0.33	0.21	0.46	0.36
Composite (Net of Fee)	-12.39%	9.28%	5.94%	9.16%	7.63%	27.01%	23.88%	19.30%	20.36%	0.32	0.20	0.43	0.34
Russell 2000 Value Index	-14.50%	4.67%	4.11%	8.46%	6.80%	27.27%	24.01%	19.59%	21.39%	0.14	0.12	0.39	0.29

¹ Please see additional performance on page 3, and pages 18-20 for important disclosures. **Past performance is no indication of future results.** Sources: Morningstar, Bloomberg.

² Bar graph calculated monthly. ³ Performance statistics are annualized for periods greater than one year.

Portfolio Characteristic Comparison¹

As of 12/31/2022

	Bailard, Inc. Small Cap Value Composite ²	Russell 2000 Value Index
BRM Score	81.2	51.8
ESG Capture [®]	68.6	54.4
Price/Book Value	3.1x	2.7x
Price/Earnings (trailing 12 mo.)	16.1x	72.7x
Price/Cash Flow	16.1x	48.1x
Return on Equity	13.8%	6.7%
Debt to Capital	47.0%	42.9%
Number of Holdings	350	1382
Avg. Market Cap \$MM	\$2,663	\$2,377
% Micro Cap Stocks	32.4%	19.6%

Sources: Bloomberg, Bailard. ¹The information presented on this page, while representative of the Bailard Asset Management Small Cap Value ESG Equity Strategy, should not be solely relied on as it can differ from client to client and could vary over time. ²Data regarding the portfolio characteristics of the Composite reflect ownership information as of the date shown and are not intended to represent any past, present or future specific investment recommendations. Portfolio characteristics are subject to change without notice. The Small Cap Value Composite ("the Composite") consists of a Bailard Asset Management portfolio that is invested solely in small and micro capitalization U.S. equities which exhibit value characteristics. The Small Cap Value ESG Equity Strategy is implemented within the Bailard Small Cap Value Composite. Please see the end of this document for important disclosures regarding this Composite.

Small Cap Value ESG Equity Strategy Team



THOMAS J. MUDGE III, CFA

Portfolio Manager | SVP | Director, Equity Research

Investment experience: 35 years; 35 years with firm

Tom leads Bailard's equity research and serves as portfolio manager of the small cap value ESG equity strategy. As a Behavioral Finance enthusiast, he leveraged his extensive knowledge of the small and micro-cap value universe to create the original small cap value strategy in 2001. Tom earned his BA at Northern Michigan University in 1985 and the Chartered Financial Analyst® designation in 1994, and is a member of the CFA Institute and the CFA Society of San Francisco. He completed the certificate program in Investment Decisions and Behavioral Finance at Harvard University's John F. Kennedy School of Government.



BLAINE TOWNSEND, CIMC®, CIMA®

Portfolio Manager | EVP | Director, Sustainable, Responsible and Impact Investing

Investment experience: 28 years; 6 years with firm

Blaine leads Bailard's Sustainable, Responsible and Impact Investing (SRII) team, and is a portfolio manager of Bailard's small cap value ESG equity strategy. As a pioneer and thought leader in the field of sustainable investing, Blaine was the original architect of the proprietary ESG Capture® framework first applied to the strategy in 2019. Blaine began his career in SRI/ESG in 1991 at the Muir Investment Trust, the nation's first environmentally screened bond fund. From 1996 through 2009, he led the California office for Trillium Asset Management, where he managed socially responsible and sustainably focused portfolios, served on the firm's investment committee and worked on corporate engagement efforts. After Trillium, Blaine spent 8 years at Wells Fargo's ESG firm Nelson Capital Management as a partner and senior portfolio manager, and on the firm's leadership team and investment committee. Blaine currently serves as an Advisory Board member for *The Journal of Impact and ESG Investing*. He holds a BA from the University of California, Berkeley and CIMC® and CIMA® credentials.



OSMAN AKGUN, PH.D., CFA

Portfolio Manager | VP, Domestic Equities

Investment experience: 11 years; 10 years with firm

Osman serves as Vice President of Domestic Equities and as a portfolio manager for Bailard's small cap value ESG equity strategy. He uses his passion for finding creative and sensible solutions to complex investment problems and focuses on quantitative research, model building, and portfolio optimization. Osman joined Bailard in 2012 after receiving his Ph.D. in Industrial Engineering and Operations Research at the University of California, Berkeley. Prior to his Ph.D. program, Osman received Masters' Degrees in Statistics as well as in Industrial Engineering and Operations Research, both from the University of California, Berkeley. During this time, Osman worked as a Research Assistant focusing on stochastic modeling and optimization, with applications to finance, service operations and computer communications. Prior to his graduate work, he received a B.S. in Industrial Engineering from Bogazici University, Turkey. Osman received his Chartered Financial Analyst® designation in 2017 and is a member of the CFA Institute and the CFA Society of San Francisco.

Small Cap Value ESG Equity Strategy Team



MCKENZIE FULKERSON-JONES

ESG Analyst

Investment experience: 1 year; 1 year with firm

McKenzie joined Bailard in 2022. As an ESG Analyst, they are a member of Bailard's Sustainable, Responsible, and Impact Investing (SRII) team. In this role, McKenzie supports Bailard's ESG research and proprietary ESG Capture® scoring process, Bailard's corporate engagement and stakeholder relationships, firmwide ESG projects across multiple asset classes, and thought leadership and media work. Prior to Bailard, McKenzie spent ten years at The Nature Conservancy where they served in communications and freshwater ecosystems conservation project manager roles. McKenzie holds a Bachelor of Arts from the University of Redlands and a Master of Business Administration from George Washington University.



ANNALISE DURANTE*

Senior ESG Analyst

Investment experience: 8 years; 5 years with firm

Annalise rejoined Bailard in 2023 and serves as both a Senior ESG Analyst and Investment Counselor for the Sustainable, Responsible and Impact Investing (SRII) group. As an ESG Analyst, Annalise contributes to ESG/SRI research, thought leadership, and corporate engagement. As an Investment Counselor, Annalise is responsible for managing client relationships and implementing investment strategies. Prior to originally joining Bailard in 2017, Annalise spent two years at Citi Private Bank working with ultra-high-net-worth clients. She also spent time volunteering for a microfinance organization in Cambodia. Annalise earned a Bachelor's degree in Finance from the University of Miami.



GLENN A. DAVIS, CFA

Senior Vice President | Head Trader

Investment experience: 32 years; 32 years with firm

Glenn joined the firm in 1991. As head trader, Glenn's responsibilities include execution of all purchases and sales of domestic securities. With more than 25 years of trading experience, he excels in trading small and micro-cap stocks while working diligently to minimize market impact. Glenn received his BS from Santa Clara University in 1988 and his Chartered Financial Analyst® designation in 1995, and is a member of the CFA Institute and the CFA Society of San Francisco.

* Senior ESG Analyst, Annalise Durante, rejoined Bailard on 1/3/2023 after traveling extensively. All other data as of December 31, 2022.

Investment Philosophy

- **Behavioral anomalies provide an enduring source of alpha.**
 - Market participant irrationality is recurring, predictable, and therefore exploitable.
- **Less scrutiny means greater opportunity in our Bailard Ranking Model and ESG.**
 - Bargains or advantages are rare where everyone else is looking.
 - Small and micro cap stocks are fertile ground for behavioral biases and unidentified ESG opportunities. These can be effectively exploited through a disciplined and systematic approach.
- **Avoid unnecessary risk.**
 - Control for economic sector exposure, bankruptcy risk, idiosyncratic risk, ESG risk, alpha instability, beta deviation and false precision in stock selection.

Small Cap Value ESG Equity Strategy ESG Framework

Product & Industry Screens

No companies deriving more than 25% of revenues* from the following sources:

- × Firearms
- × Controversial weapons (landmines, cluster munitions)
- × Alcohol
- × Tobacco
- × Gambling
- × Adult Entertainment
- × Predatory Lending (payday loans, rent-to-own)
- × Private Prisons

* This revenue threshold removes clear offenders while not excluding grocery stores, hotels, airlines, restaurants, cable television, cell phone service providers, etc.

ESG Integration

- ✓ Exclude the bottom scoring 20% of Bailard's ESG Capture® rankings.
- ✓ Portfolio's average ESG score will always exceed the benchmark's score.
- ✓ Additionally, we use qualitative measures to screen out companies that have egregious patterns of behavior on ESG issues that may not be fully reflected in ESG Capture® rankings.

About Bailard, Inc.

1969

Founded in 1969

- Independent, established and stable
- Roots in education and financial literacy

59%

Employee owned and controlled

- Current and former employees own 59% and 14%, respectively
- Broad equity ownership: 72% of current employees own stock
- No institutional ownership

52%

Women and minority owned

72

72 employees

- Average investment professional tenure of 16 years
- 42% of employees are women
- Led by a female CEO

\$5.1 B







Assets Under Management

Data as of December 31, 2022.

Why the Bailard Small Cap Value ESG Equity Strategy?

SMALL CAP INVESTING CHALLENGES

OUR SOLUTIONS

Thousands of Stocks With No Top-heavy Concentration		Systematic methods allow for broader analysis of thousands of companies, identifying potential winners easily missed by more narrowly focused competitors. The nature of the small value investable universe requires a larger portfolio to adequately cover risk exposures.
Higher Volatility		We hold 250-300 stocks, limiting individual stock risk. We are consistently invested in all 11 economic sectors and all 24 economic subsectors, reducing economic cycle risk. Our ESG Capture® methodology also helps to limit volatility by avoiding companies with significant potential negative externalities and lagging ESG practices.
Limited Information		In addition to sometimes-limited financial statement data and analysis, we identify more universal behavioral finance anomalies to broaden our alpha opportunities, and employ advanced valuation techniques.
Higher Bankruptcy Risk		Our earnings quality focus, accounting and auditor red flag screening, credit risk measurement, and factor beta “value trap” identification all help weed out companies with going concern issues.
Liquidity Constraints		We employ proprietary and often contrarian stock selection factors to avoid crowding. We emphasize characteristics more than individual stocks, allowing for patient, flexible trading. We broadly diversify, limiting maximum position sizes, and have deep trading experience and expertise.
Limited ESG Data and Poor ESG Vendor Score Coverage		We have proprietary E, S, and G factors with comprehensive small cap value coverage. We also combine ESG scores from multiple vendors to create a comparable composite score with much greater universe coverage.

Disclosures and Key Risks

This presentation is confidential and can only be used by investment professionals. It cannot be reproduced in whole or in part or distributed to anyone else without the permission of Bailard. It is not for retail use. It does not constitute a recommendation of, or an offer to sell or a solicitation of an offer to buy any particular security or investment product. It does not take into consideration the particular investment objectives, financial situations, or needs of individual clients.

The information is current as of the date indicated and Bailard undertakes no duty to update any of the information contained in this presentation. The presentation contains some forward-looking statements, which involve a number of risks and uncertainties, and actual results may differ materially from these forward looking statements.

Any references to specific securities are included solely as general market commentary and were selected on criteria unrelated to Bailard's portfolio recommendations or the past performance of any security held in any Bailard account or fund. There is no guarantee Bailard or this strategy will achieve their performance or investment objectives. **Unless otherwise indicated, the performance data in this presentation does not reflect the performance of any Bailard product, strategy or account.**

Past performance is no indication of future results. All investments have the risk of loss.

Key Risks

The Bailard Small Cap Value ESG Equity Strategy is not by itself a complete investment program and is best suited for investors who can accept the above average risk generally associated with small cap and micro cap stocks. These companies may face greater economic cycle risk, credit risk, geographic risk, product, and customer concentration risk than that faced by larger companies. Small cap and—to a greater extent—micro cap stocks are more volatile and less liquid than larger cap stocks and may be more difficult to trade. There are times when the small cap value equity style underperforms other equity investment styles.

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

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

The market value of an investment will fluctuate as the securities markets fluctuate. There can be no assurance that this or any investment strategy will achieve its investment objectives. All investments have the risk of loss

Performance Disclosures

Other Disclosures

The information in this presentation is for informational purposes only and is not an offer to provide investment advice, an offer to sell securities or the solicitation of any offer to buy securities. Before making any investment decision, you should review Bailard, Inc.'s Form ADV Part 1A and Bailard's Form ADV Part 2A (available on the SEC's website at <https://adviserinfo.sec.gov/firm/summary/110550>), as well as Part 2B of Bailard's Form ADV (available from Bailard) and all other information that Bailard provides to you. You should also discuss all matters concerning any prospective investment that you desire with Bailard. The information provided herein is meant to demonstrate Bailard's general investment process. The outline of processes and steps taken is general in nature, and Bailard from time to time will deviate from the specific investment steps, limitations, screens, controls and overall process described. The description of the Bailard Ranking Model provided in this presentation is for conceptual illustration purposes only and is not meant to represent a complete example of the use of the model with respect to the Bailard Institutional Small Cap Value ESG Equity Strategy.

Small Cap Value Composite Performance Disclosures

The Bailard Small Cap Value Composite (the "Composite") includes a Bailard Asset Management portfolio invested solely in small and micro capitalization U.S. equities that exhibit value characteristics. As of December 31, 2022, the Composite consisted of a single mutual fund which Bailard has been managing in an advisory or sub-advisory capacity since 2001 with a market value of \$90.6 million, which represented 3.7% of the total assets under Bailard Asset Management's management. The ESG Capture component was explicitly introduced to the portfolio in December 2019. Prior to 2006, the Composite had less consistent and lower overall exposure to micro cap stocks. The Composite's returns are total returns presented as labeled, either net of, or both gross and net of management fees ("net of fees") payable to Bailard, and assume reinvestment of dividends and other earnings. The returns do not reflect a fiduciary fulfillment fee payable to Bailard (where applicable), or custody and other account expenses not payable to Bailard. The return of this Composite is not the NAV return of the mutual fund.

Both gross of fee and net of fee returns are taken directly from Bailard's portfolio accounting system, and net of fee performance was calculated by netting down the gross return by actual management fee paid by the mutual fund client to Bailard as of the date paid. Composite returns do not reflect a fiduciary fulfillment fee payable to Bailard (where applicable), or custody and other expenses not payable to Bailard which the composite account incurred.

The Firm's annual fee schedule for new accounts is: 0.90% of the first \$25 million, 0.70% of the next \$25 million, 0.60% on the next \$50 million, and 0.50% on assets over \$100 million. The Composite's complete return history and a list of Bailard's composites are available upon request.

Continued on next page

Performance Disclosures (Continued)

Market Indices Definitions

The S&P 500 Index, the Russell 1000 Growth Index, the Russell 1000 Value Index, the Russell 2000 Growth Index, the Russell 2000 Index, the MSCI USA Small Cap ESG Leaders Index, the Russell 2000 Value Index, and the Russell Micro Cap Value Index shown in this presentation are different from a managed account in that they are unmanaged, uninvestable and do not reflect any transaction costs.

The Russell 2000 Value Index is a commonly used index that measures the performance of the small-cap value segment of the U.S. equity universe. It includes those Russell 2000 Index companies with lower price-to-book ratios and lower forecasted growth values. The Russell Microcap Value Index measures the performance of the microcap value segment of the U.S. equity market. It includes Russell Microcap companies that are considered more value oriented relative to the overall market as defined by Russell's leading style methodology. Unlike the Russell 2000 Value Index and the Russell Microcap Value Index, the Composite account can acquire stocks in initial public offerings and can hold cash equivalents and exchange-traded funds. The Composite account's stock holdings may differ materially from those of the Russell 2000 Value Index and the Russell Microcap Value Index, as the Composite: 1) can invest in stocks that are not in the indices; and 2) may omit securities that may otherwise merit investment due to the application of various environmental, social and governance screens. The Composite can hold microcap stocks and will tend to hold a higher percentage of microcap stocks (defined as stocks in the bottom 1% of major U.S. exchange-traded securities when measured by market capitalization) than the Russell 2000 Value Index. The Composite can hold small cap value stocks and will tend to hold a higher percentage of small cap value stocks (defined as stocks with lower price-to-book ratios and lower expected growth values and between 1% and 11% of major U.S. exchange-traded securities when measured by market capitalization) than the Russell Micro Cap Value Index. The Small Cap Value ESG Equity Strategy's model portfolio holdings will differ materially from the index due to the model portfolios' selection of only a portion each of these indices' securities. The Small Cap Value ESG Equity Strategy's hypothetical returns differ materially from that of the indices. As a result, the indices are not indicative of the past or future performance of the model portfolios.

S&P 500: The S&P 500 Index is a commonly used U.S. stock index of 500 large capitalization stocks.

Russell 1000 Growth: The Russell 1000 Growth Index measures the performance of the large cap growth segment of the US equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 1000 Value: The Russell 1000® Value Index measures the performance of the large cap value segment of the US equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values

Russell 2000 Growth: The Russell 2000 Growth Index measures the performance of the small cap growth segment of the US equity universe. It includes those Russell 2000 companies with higher price-to-value ratios and higher forecasted growth values.

Russell 2000 Index: The Russell 2000 Index measures the performance of the small-cap segment of the US equity universe. The Russell 2000 Index is a subset of the Russell 3000 Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership.

MSCI USA Small Cap ESG Leaders Index: The MSCI USA Small Cap ESG Leaders Index is a capitalization weighted index that provides exposure to companies with high Environmental, Social and Governance (ESG) performance relative to their sector peers. MSCI USA Small Cap ESG Leaders Index consists of small cap companies in the US market. The Index is designed for investors seeking a broad, diversified sustainability benchmark with relatively low tracking error to the underlying equity market. The index is a member of the MSCI ESG Leaders Index series. Constituent selection is based on data from MSCI ESG Research.

Other Performance Definitions

Standard deviation is the annualized standard deviation of monthly returns. "Information ratio" is the ratio of added value to tracking error. "Tracking error" is the annualized standard deviation of monthly added value, where added value is [Composite return – benchmark return].

Past performance is no indication of future results. All investments have the risk of loss.

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