Bailard

Q4 2023 Update

Technology Strategy

Delivering a high-conviction, durable portfolio of technology-focused companies

Performance as of December 31, 2023

Q4 2023 PERFORMANCE[1,2]

The Bailard Technology Strategy posted a Q4 total return of 20.01% net of fees, meaningfully ahead of the competitor-comprised benchmarks with the Morningstar U.S. Open End Technology Category return of 16.48% and the Lipper Science and Technology Fund Index return of 16.18%. The Strategy also led both the S&P North American Technology Index return of 17.17% and the mega-cap Nasdaq-100 Index return of 14.60%. Over longer time periods of 3, 5, and 10 years, the Strategy's net returns continued to lead the competitor's peer group benchmarks.

Both the Strategy's security selection and industry allocations were positive for the quarter. Stock selection was strong in Semiconductors, Software & Services, and Technology Hardware while industry allocation was positive in Transportation, Hardware, Software & Services, and Autos. Cash, as well as Media & Entertainment, were the detractors from stock selection, and Consumer Discretionary and Professional Services were drags from industry allocation.

TOTAL RETURN [1]

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years
Bailard Composite, Gross	20.11%	69.08%	69.08%	8.61%	22.56%	18.28%
Bailard Composite, Net	20.01%	68.19%	68.19%	7.87%	21.71%	17.45%
Morningstar US OE Tech	16.48%	42.04%	42.04%	-0.01%	16.31%	13.83%
Lipper Sci & Tech	16.18%	45.80%	45.80%	3.23%	18.27%	14.82%
S&P NA Tech	17.17%	61.13%	61.13%	9.60%	22.21%	18.71%

ACTIVE RETURN NET OF FEE[1,3]

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years
Vs. Morningstar US OE Tech	3.53%	26.15%	26.15%	7.88%	5.39%	3.62%
Vs. Lipper Sci & Tech	3.83%	22.39%	22.39%	4.64%	3.43%	2.63%
Vs. S&P NA Tech	2.84%	7.06%	7.06%	-1.73%	-0.51%	-1.25%

[1] **Past performance is no indication of future results.** The "Bailard Composite" and the "Bailard Technology Strategy" is the Bailard, Inc. Technology Carve-Out Composite. The Technology Carve-Out Composite ("the Composite") includes a segregated account and carve-out portfolio invested primarily in the stocks of firms that predominately use technology to drive their business. "Morningstar U.S. OE Tech Category" is the Morningstar U.S. Open End Technology category average. The "S&P NA Tech" is the S&P North American Technology Index. "Lipper Sci & Tech" is the Lipper Science and Technology Fund Index. The Bailard Composite, Morningstar U.S. OE Tech Category and Lipper Tech & Sci are presented net of fee; S&P NA Tech does not have fees. Please see additional performance on page 11, and pages 19 - 21 for important disclosures. Sources: Morningstar, Bloomberg, Thomson Reuters (Refinitiv) Eikon.

[2] The holdings identified do not represent all of the securities purchased, sold, or recommended for clients. **Past performance does not guarantee future results.** Please refer to page 5 for a list of the quarter's top contributors and detractors.

[3] 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.

Strategy & Sector Commentary: Q4 2023 & Year-End Review

Q4 2023 UPDATE [1]

No doubt that 2023 was a big year for technology stocks: Semiconductors (SOX) returned 64.9%; software (IGV) gained 58.6%, broad technology (IGM) was up 60.1%, diversified equities (SPX) buoyed by tech companies rose 24.2% and the Bailard Technology Strategy returned 68.2%, net of fees.[2] Nevertheless, most equity indices in 2023—including the technology sector—have only recovered their previous year losses when, in early 2022, technology companies entered a recession (the semiconductor complex) or saw a meaningful step down in growth rates (software providers).

Equity Performance[2,3] July 1, 2021 – December 31, 2023

Sources: Bloomberg, Bailard

> "I have never seen anything grow as fast as AI. Not even close." – Elon Musk

However, last year's returns, in our view, were not simply a rebound from an oversold market, but a response to improving fundamentals in several key technology segments. Cyclical industries, such as PCs and smartphones, appear to have found a bottom in 2023 and we expect modest growth in 2024. The emergence of Generative Artificial Intelligence (GenAI) and the associated compute infrastructure it requires has ignited secular growth opportunities for many technology companies that we believe are broad and sustainable.

A transformational event occurred in technology markets last year with the broad availability of Large Language Models (LLMs) capable of GenAI. ChatGPT showed the public GenAI's power and potential through its general-purpose transformer (GPT) model

Past performance is not indicative of future results. [1] Specific investments described herein may represent some but not all investment decisions made by Bailard. The reader should not assume that investment decisions identified and discussed were or will be profitable. Specific investment advice references provided herein are for illustrative purposes only and are not necessarily representative of investments that will be made in the future. Bailard, Inc. makes no recommendation to buy or sell securities discussed in this section. [2] Please see index and ETF definitions at the back of this presentation. [3] **Past performance is no indication of future results.** This performance is not indicative of the past or future performance of the Bailard Technology Strategy or any other Bailard product. Sources: Bailard, Bloomberg. The holdings identified do not represent all of the securities purchased, sold, or recommended for clients. Please see pages 19-21 for important disclosures.

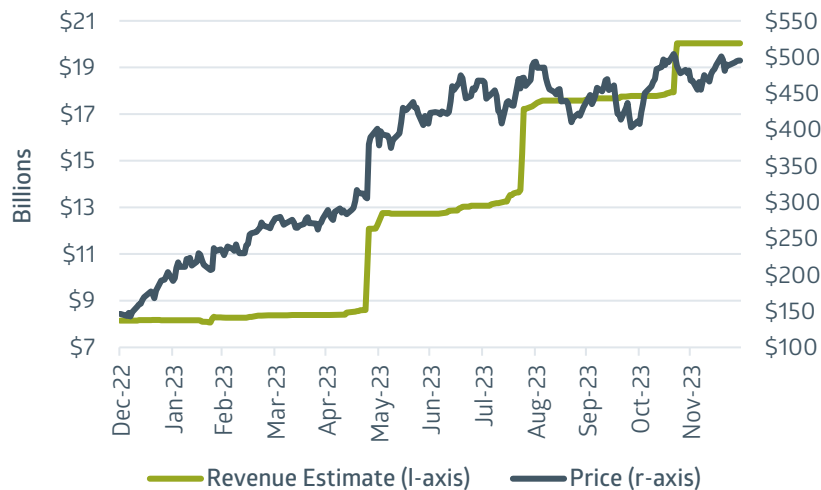# Strategy & Sector Commentary: Q4 2023 & Year-End Review

capable of contextual long-form query response. LLMs applied to image and video rendering, and "co-pilots" used in computer coding, are other examples of GPTs that further connected the theoretical with the practical. This ignited a technology "arms race," the scale of which the investment community continuously underestimated throughout 2023 and we believe will continue to be too conservative in 2024.

In 2023, spending on AI-related high-performance compute squeezed out spending on traditional enterprise hardware such as servers, PCs, and related peripherals. We expect these hardware segments to improve in 2024 as enterprises refresh on-premises equipment and edge devices but anticipate budgets will still be constrained by high-performance compute spending. Inevitably, the large cloud-based infrastructure companies will likely pause their rapid rate of spending on compute power and the stock prices in the supply chain will temporarily dislocate. We're not there yet, as the world is still broadly undersupplied at the leading edge of high-performance compute and we believe any pauses will be short-lived.

The deployment, uptake, and impact of AI-enabled applications should be compelling in the coming year, and we anticipate seeing more tangible AI-enabled solutions and products across key industries, including cybersecurity, IT services, human capital management (HCM), bill pay, search, coding, spreadsheet and document prep, autonomous devices, medical diagnostics, energy exploration, energy storage, and ad serving analytics. We believe that the application layer will begin to emerge in a very meaningful way in the second half of 2024.

NVIDIA Corporation Quarterly Consensus Revenue Estimates 2023

Sources: NVIDIA, Bloomberg, Bailard

Strategy & Sector Commentary: Q4 2023 & Year-End Review

While the opportunities that AI presents are great, much of it will be disruptive. Two of the more fascinating risks of disruption that we highlighted back in our 1Q23 Quarterly centered around Google in search and Apple in its App Store and services. Since then, it seems the threat has only increased. Long-form, contextual response in search that directly answers your queries provides considerable value over the traditional response of "ten blue links." Microsoft's internet browser, Bing, now incorporates ChatGPT co-pilot for search and contextual response. Private startup Perplexity AI, a so-called answer engine which uses GenAI technology to generate long-form contextual responses, is quickly becoming a favorite among techies, and its most recent financing round included NVIDIA Corporation and Bezos Expeditions Fund.

Apps are high-margin, growth businesses for both Apple Inc. and Alphabet Inc. However, their models are under pressure on regulatory and legal fronts (Epic Games v. Alphabet Inc.) and from AI apps coming through new channels like the GPT Store, which just launched with thousands of AI-based apps. While both Apple and Alphabet remain juggernauts in app distribution, we believe the proprietary app store model and the associated "excess" profit margin are ripe for disruption and we may be seeing it play out in real time.

Q4 2023 COMPOSITE TOP CONTRIBUTORS/DETRACTORS [1]

TOP	AVG. WEIGHT	CONTRIBUTION
MICROSOFT CORP	11.6%	2.3%
KLA CORP	4.7%	1.2%
NVIDIA CORP	8.6%	1.2%
META PLATFORMS INC-CLASS A	5.6%	1.0%
UBER TECHNOLOGIES INC	2.8%	0.9%

BOTTOM	AVG. WEIGHT	DETRACTION/ CONTRIBUTION
PURE STORAGE INC – CLASS A	1.6%	0.0%
US DOLLAR	0.4%	0.0%
ZOOMINFO TECHNOLOGIES INC	0.2%	0.01%
TEXAS INSTRUMENTS INC	1.3%	0.06%
BRAZE INC - A	0.6%	0.08%

Strategy & Sector Commentary: Q4 2023 & Year-End Review

When true technology transformations take place, it is often the incumbents that have the most to lose as smaller, more nimble companies create disruptive applications. Microsoft disrupted IBM with advent of PC operating systems (MS-DOS); Google disrupted the advertising marketplace by changing the way people searched for information; Apple catalyzed the smartphone revolution (not Nokia, Ericson, Motorola, or AT&T); Facebook's social media platform put traditional media on its heels; Netflix changed the production, distribution, and consumption models for the entertainment industry; and Uber revolutionized the transportation business.

Semiconductors and Wafer Fab Equipment: Stabilization and Recovery

A key component of the Strategy's 2023 performance was the recovery in the semiconductor industry. Our initial conviction was highlighted in our 4Q22 Quarterly Update in which we noted that the semiconductor industry leading tech out of its doldrums was an important indicator for broader improvement in tech fundamentals.

Semiconductor industry momentum continued as inventories in distribution channels and at customers began to clear, making room for fresh demand. When NVIDIA announced its 1Q23 earnings it became (shockingly!) clear that a powerful secular

growth driver (AI) was also coming into play, augmenting the cyclical recovery. End markets—like PCs and cellphones—began to recover from the void left after the surge in demand during the pandemic. In addition, while semiconductor wafer fabrication equipment was in a recession in 2023, final global demand for the year came in much better at mid-$80b than early-year estimates of $70b; tightening of U.S. regulations around technology equipment sales to China clearly created some pull forward demand. However, reshoring and diversification of the global

2023 Year-end Total Semiconductor Equipment Sales & Forecast

■ Assembly & Packaging Equipment   ■ Test Equipment
■ Wafer Fabriacation Equipment
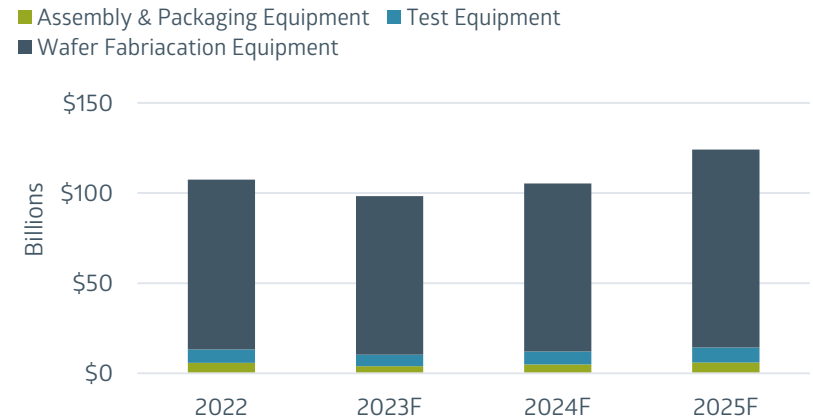
Source: SEMI, Bailard. **Past performance is no indication of future results.** This performance is not indicative of the past or future performance of the Bailard Technology Strategy or any other Bailard product.

semiconductor manufacturing base supported by the CHIPS Act, coupled with recovery in segments like memory chips, should keep demand for wafer fabrication equipment robust for several years including a significant upturn in 2025.
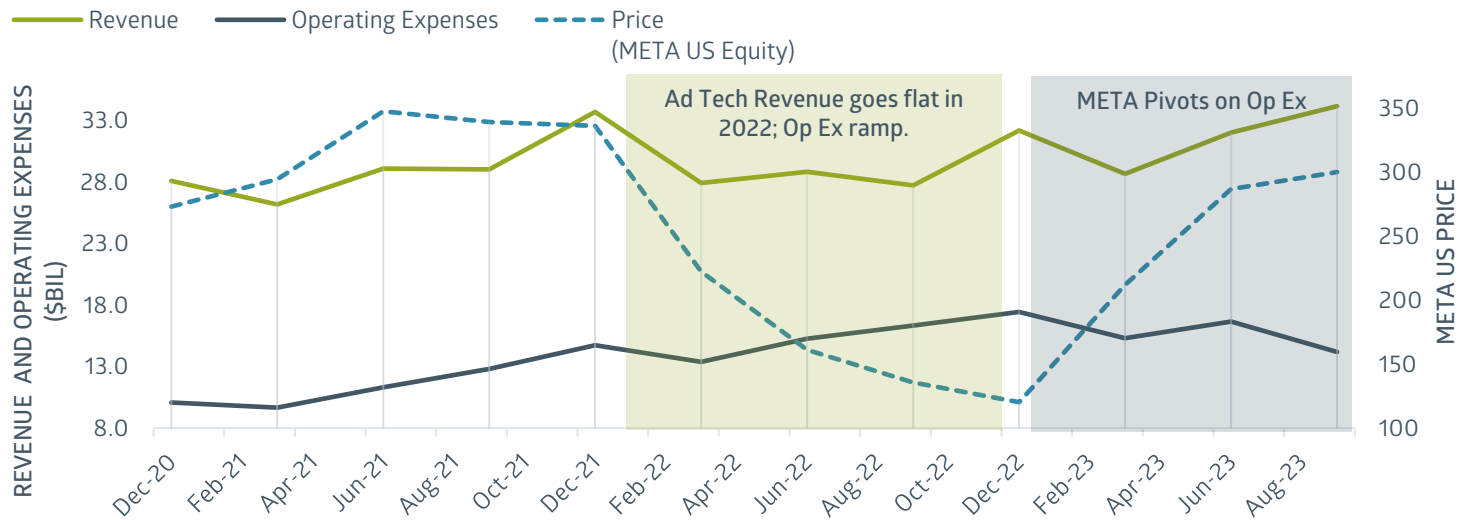
"The Year of Efficiency" and Ad-Tech Recovery

You may recall in 2022, growth in ad spending on major technology platforms began to stall as another hangover symptom from an overheated technology market during the preceding two years. While we observed this across ad tech platforms, it was particularly impactful at Meta Platforms (Facebook, Instagram,

Reels) social media sites.[1] Coincidental to a slowing ad market that year, Meta Platforms began ramping both operating expenses and capital expenditures, pressuring margins and cashflow, to invest in its metaverse applications and further its AI development efforts. Meta Platforms' market capitalization lost 65% of its value in 2022.

At the start of 2023, Meta Platforms pivoted and announced "the year of efficiency" where it pulled back its operating and capital expenditures budgets to focus on profitable growth and return on invested capital. This was an important turning point for

META Platforms

— Revenue — Operating Expenses --- Price (META US Equity)

Ad Tech Revenue goes flat in 2022; Op Ex ramp.

META Pivots on Op Ex

[1] Other platforms, like Snap Inc., also came under similar ad sales pressure coupled with arguably poorer execution.

Strategy & Sector Commentary: Q4 2023 & Year-End Review

technology companies broadly as investors became hyper-focused on companies' operating disciplines. For early-stage companies this meant that clearly articulated cashflow and profit pathways were paramount. By 2Q23, technology companies had to have their "operational house" in order or they were punished severely, with a few high-profile growth companies losing 30%-plus market value on the day of their earnings announcement because of muddled profit guidance. Fortunately, by the following quarter most companies had gotten the message, and clarity around profit guidance improved greatly. This is an important set-up for 2024 as we believe operating expense and capital allocation discipline will remain in place as technology revenue outlooks improve in the new year.

Workload Optimization

The high-growth industry segments of infrastructure and applications software, particularly in the emerging cloud-based technologies, entered a downturn in late 2021. This was

precipitated by overinvestment in a variety software productivity tools and services during the pandemic. It became somewhat of a vicious cycle: as demand slowed, an over-resourced industry began responding by laying off tech industry employees to adjust to waning demand, which in turn lead to less demand for high tech tools. Companies entered a period of "optimization" where CTOs and CFOs chose to heavily optimize investments in existing software tools and services rather than commit budgets to future workload growth.

> "This year, every industry will become a technology industry."
>
> – NVIDIA Founder and CEO, Jensen Huang, at the 2024 annual J.P. Morgan Healthcare Conference

Strategy & Sector Commentary: Q4 2023 & Year-End Review

The chart below shows the Net Dollar Retention Rate (NDR)[1] of select cloud-native, subscription-based software providers overlayed on technology industry layoffs. The correlation is clear: as company layoffs rose, NDR began to decline, coinciding with optimization of technology spending. Peak optimization likely occurred in 1Q23 and many software companies with consumption-based business models (which are more sensitive to change in demand) began reporting stabilization, followed by re-acceleration. By the third quarter of 2023, earnings reports, optimism, and leadership in the space was clearly emerging

around those business models that had weathered the downturn, met expectations for operational discipline, and were now in a stronger position to drive revenue and share gains.

We see opportunities in this area of technology in 2024 and it's an important component of our thesis to move "down capitalization" and capture the reacceleration in fundamentals among the high-growth cohort of technology companies. Some of the more attractive growth segments include cybersecurity, cloud-native CRMs, applications monitoring, and unstructured data analytics.

Layoffs in Tech/Tech Adjacent Sectors, TTM Net Dollar Retention (NDR)[1] for Selected Companies
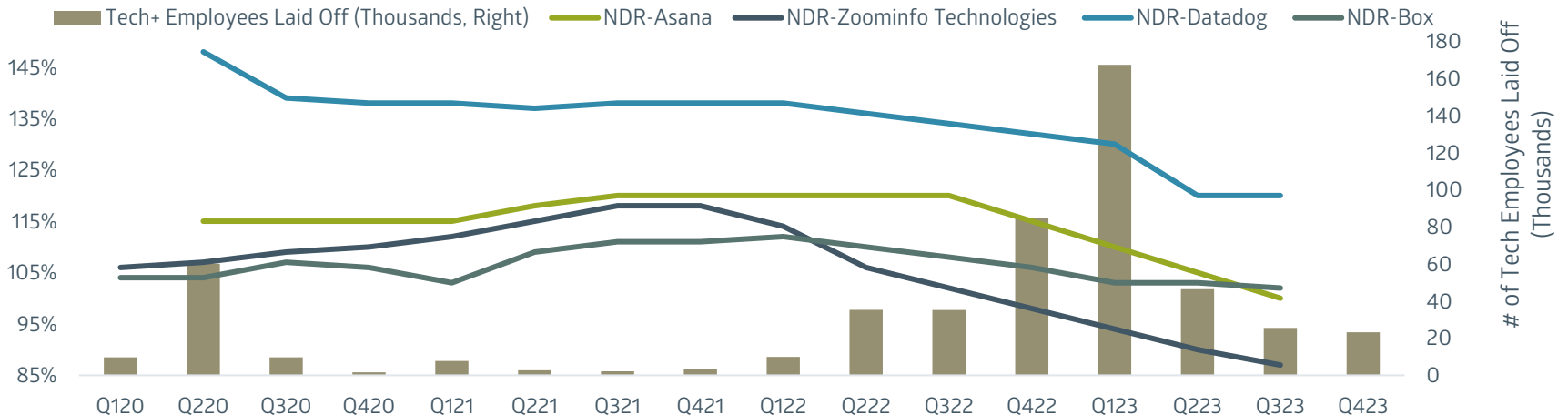
Sources: Bloomberg, L.P.; Bailard Inc., [1] Net dollar retention rate (NDR) is a metric that reflects how much revenue a business retains from its existing customers over time. It is calculated as the percentage of recurring revenue retained from existing customers after factoring in cancellations, downgrades, pauses, and other types of revenue churn. **Past performance is not indicative of future results.** Specific investments described herein may represent some but not all investment decisions made by Bailard. The reader should not assume that investment decisions identified and discussed were or will be profitable. Specific investment advice references provided herein are for illustrative purposes only and are not necessarily representative of investments that will be made in the future. Bailard, Inc. makes no recommendation to buy or sell securities discussed in this section.

Our Positioning & Outlook

OUR POSITIONING

Our focus is on the broadening of the opportunity set for technology investments in 2023. We are increasingly focused on areas in hardware, opportunities in areas of software that have been disproportionately hit by the 'year of efficiency'—like consumption and seat-based license models—while maintaining exposure to secular growth areas like GenAI, cybersecurity, and growth semiconductors. We expect to maintain overweights versus the benchmark to software, semiconductors, and technology-enabled companies in transportation and retail.

OUR OUTLOOK

Overall, we are cautiously optimistic that we are in the early stages of a new technology bull market. As inflation fears continue to dissipate and monetary conditions begin to ease, we expect the broader economy to improve. As we noted earlier in our commentary, we believe that many parts of the technology industry have suffered through a series of rolling recessions over the last eighteen months. While broader indicators like payrolls as well as global and domestic GDP have remained solid, painful downturns in demand have rippled through a wide variety of technology submarkets including storage, servers, industrial semiconductors, NAND and DRAM memory chips, PCs, and smartphones. Layoffs have been concentrated in the technology sector and spiked to levels well above the COVID-19 pandemic in early 2023. Similarly, many software companies have seen sharp

decreases in demand, lengthening sales cycles, and deal downsizing as customers looked to rapidly curtail investments and reign in growth in spending.

It is now our belief that we are beginning to emerge from this technology-focused downturn. Budgets looks to be modestly accelerating. Consumption-based software revenue model companies, which were among the first firms to see the tightening in discretionary IT budgets, are seeing improved demand environments. We have noted a marked uptick in tone within our universe of software companies. We believe that this improved demand environment is, in many cases, not yet reflected in consensus estimates. We believe this will support the technology sector broadly but specifically spark a broadening of the rally across the sector to include SMID cap technology stocks.

We remain cognizant of risks, particularly to the financial system. Followers of the Federal Reserve are quick to note that the impact of monetary tightening is often both lagged and variable. We interpret the lag to typically be approximately a year to a year and a half from tightening to economic slowdown, and we interpret variable to mean wholly unpredictable events a la the Silicon Valley Bank near disaster in early 2023. We also remain cognizant that gains in the disinflation narrative will need to prove stable. We are closely watching energy prices, the ongoing wars in Ukraine and the Middle East, and spiking shipping costs as potential supply shocks to inflation that could disrupt progress on the inflation front.

Portfolio Risk and Return Profile

ANNUALIZED ACTIVE RETURNS RELATIVE TO MORNINGSTAR US OE TECH[1,2] 12/31/12 – 12/31/23 (net of fees)

- Rolling 3 Year
- Rolling 5 Year
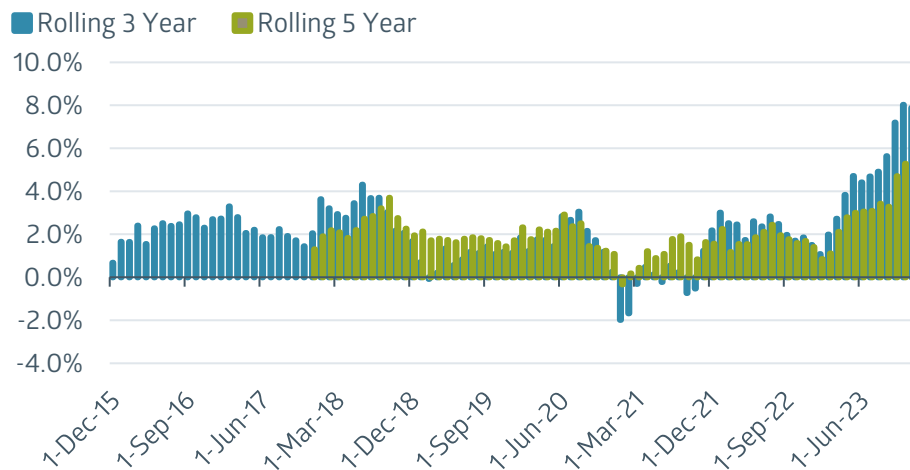
PERCENTAGE OF ROLLING PERIODS BAILARD COMPOSITE TOTAL NET OF FEES RETURN EXCEEDED MORNINGSTAR

	Calculated Annually	Calculated Quarterly	Calculated Monthly
Rolling 3-Year Periods	100%	91%	93%
Rolling 5-Year Periods	100%	100%	99%

STATITCS SUMMARY[1,3] for periods ending 12/31/23 (net of fees)

	Sharpe Ratio			Standard Deviation			Upside/Downside Capture vs. Broad Benchmarks			
	3 Years	5 Years	10 Years	3 Years	5 Years	10 Years	3 Years Upside	5 Years Upside	3 Years Downside	5 Years Downside
Bailard Composite	0.24	0.83	0.82	24.23%	23.94%	19.81%				
Morningstar US OE Tech	-0.09	0.60	0.65	23.62%	23.89%	19.41%	107%	105%	85%	90%
Lipper Sci & Tech	0.05	0.71	0.71	22.75%	23.11%	19.15%	109%	106%	95%	98%
S&P NA Tech	0.31	0.87	0.90	23.66%	23.31%	19.45%	97%	99%	101%	101%

Past performance is not indicative of future results. [1] Please see page 2 for more returns and pages 19 - 21 for important disclosures. Sources: Morningstar, Bloomberg, Thomson Reuters (Refinitiv) Eikon. [2] Bar graph calculated monthly; table calculated annually, quarterly, and monthly [3] Performance statistics are annualized. Upside/downside capture shows whether the Composite has outperformed–gained more or lost less than–the above benchmarks during periods of market strength and weakness, and if so, by how much.

Portfolio Characteristics as of December 31, 2023

TOP 10 HOLDINGS BY PORTFOLIO WEIGHT (%)[1]

MICROSOFT CORP	11.1
NVIDIA CORP	8.2
META PLATFORMS INC - CLASS A	5.2
KLA-TENCOR CORP	4.9
AMAZON.COM INC	4.2
ADOBE SYSTEMS INC	4.0
APPLE INC	4.0
LAM RESEARCH	3.8
ALPHABET INC CL A (GOOGLE)	3.4
UBER TECHNOLOGIES INC	3.1
Total	**51.8**

PORTFOLIO STATISTICS[1]

Total Holdings	37
Equity Weight[2]	99.4%
Cash Equivalents Weight	0.6%
Weighted Avg. Market Cap	$782.2B
Price/Book	9.1x
Wtd. Avg. P/E Ratio (trailing 12 mo.)	33.7x

INDUSTRY EXPOSURE >5% (%)[1]

Software	35.0%
Semiconductors & Semiconductor Equipment	28.9%
Interactive Media & Services	9.7%
Technology Hardware Storage & Peripherals	5.5%

TOP 10 OVERWEIGHTS (%)[3]

	Composite	Relevant Peers[3]	+/(-)
KLA Corporation	4.9	1.2	3.8
Insight Enterprises, Inc.	2.8	0	2.8
Adobe Incorporated	4	1.5	2.6
QUALCOMM Incorporated	3	0.5	2.5
Meta Platforms Inc. Class A	5.2	2.7	2.5
Uber Technologies, Inc.	3.1	0.8	2.2
Cadence Design Systems, Inc.	3	0.9	2.1
Varonis Systems, Inc.	2.2	0.1	2.1
Micron Technology, Inc.	2.5	0.4	2.1
Lam Research Corporation	3.8	1.9	1.9

Technology Investment Team

Portfolio Managers

DAVE HARRISON SMITH, CFA
Portfolio Manager
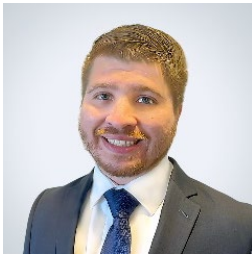
15 years' investment experience

CHRIS MOSHY
Portfolio Manager

30 years' investment experience

SONYA MUGHAL, CFA
Portfolio Manager

30 years' investment experience

Analysts

RYAN VASILIK, CFA
Equity Analyst

10 years' investment experience

IRENE LIANDO, CFA
Senior Analyst, International Equities

11 years' investment experience

Bailard Investment Team

Deep quantitative and fundamental expertise are hallmarks of the investment team led by CIO, Eric Leve. We leverage these complementary skills and perspectives in our weekly research meetings.

Our Teams Specialize In:
- Domestic Equities, including Technology and Small Cap;
- International Equities
- Socially Responsible, Impact, and ESG Investing
- Private Real Estate
- Fixed Income

Chief Investment Officer

Eric P. Leve, CFA
BA, UC Berkeley
37 years

Quantitative

Thomas J. Mudge III, CFA BA, Northern Michigan University 36 years	**Daniel McKellar, CFA** MS, Stanford University 14 years	**Amit Valia, CFA** MS, Syracuse University 18 years
Osman Akgun, PhD, CFA PhD, UC Berkeley 12 years	**Raj Dutta** MCS, Illinois Institute of Technology 5 years	

Trading

Glenn A. Davis, CFA BS, Santa Clara University 33 years	**Tom Sikora** BS, St. John's University 19 years

Fixed Income

Linda M. Beck, CFA MBA, University of Chicago 30 years	**Jeremy Wager-Smith** BS, UC San Diego 4 years

Years represent investment industry experience. Education represents credentials/industry designations held and highest level of education achieved. Data as of December 31, 2023.

Fundamental

Sonya Thadhani Mughal, CFA BA, Randolph-Macon Woman's College 30 years	**Dave Harrison Smith, CFA** MBA, UC Berkeley 15 years	**Blaine Townsend, CIMC®, CIMA®** BA, UC Berkeley 29 years
Jon Manchester, CFA BA, Stanford University 22 years	**Christopher Moshy** MBA, Cornell University 30 years	**Frank Marcoux, CFA** BA, Sacramento State 26 years
Joanne Howard, CFA MBA, University of Wisconsin 50+ years	**Irene Liando, CFA** BS, University of Southern California 11 years	**Annalise Durante** BS, University of Miami 9 years
Ryan Vasilik BS, Pennsylvania State University 10 years		

Real Estate

Preston R. Sargent JD, Case Western Reserve University 39 years	**Tess Gruenstein** MBA, University of Wisconsin-Madison 17 years	**James Pinkerton** BBus, University of Technology Sydney 20 years

Philosophy: Barbell Core and Rising Stars to Identify Alpha

Where you invest matters: Our portfolios are geared to capture "core" technology opportunities and high-growth technology "rising stars"

TARGET SEGMENTS OF TECHNOLOGY ECOSYSTEM

We structure our portfolios as a barbell across company lifecycles, strategically underweighting the 'missing middle'

Core Technology
Overweight established technology companies with strong operating profiles and durable competitive moats

Rising Stars
Overweight high-growth technology leaders driven by emerging and accelerating secular trends

Growth Purgatory
Underweight companies transitioning out of high growth

Target Relative Weight

Company Maturity

[1] Target relative weight is for illustrative purposes only. [2] We define the tech universe as the GICS Communication Services and Information Technology sectors plus the Internet Retail industry. We define high growth as the top decile of our growth rank methodology. **This chart does not reflect the past or future performance of any Bailard strategy, product or account. Past performance is no indication of future results.** All investments have the risk of loss.

Philosophy: Barbell Core and Rising Stars to Identify Alpha

We vary our barbell skew depending on the relative attractiveness of opportunity in growth technology stocks

GROWTH REGIME ALLOCATION MODEL

ESG Capture® in Technology

We believe that ESG considerations are an important component in a comprehensive investing framework and serve to capture important sources of non-financial risk.

A portfolio with a higher Bailard ESG Capture® score is geared to better protect investors from the risks associated with poor corporate governance, subpar environmental policy management, and discriminatory workplace practices.

Components and Features of Proprietary Scoring Process, ESG Capture®, Applied to Technology

- Incorporates **broad ESG scores** from multiple leading vendors including MSCI and OWL Analytics, with excellent coverage in the technology plus universe

- **Additional sub-components** are included to express issues including governance practices, diversity and equality, climate risk, and employee relations

- Utilizes **transitional assessments** to augment scores, particularly in newly public and high growth companies where traditional vendor analysis may be incomplete

- **Not a check-the-box system**

- Provides a **continuous feedback loop** at the security, sector and total portfolio level

- ESG laggards (CCC MSCI ESG or equivalent) are additionally **screened from consideration**

MSCI provides ESG scores, as does OWL Analytics. OWL Analytics is an alternative data company that focuses on environmental, social and governance (ESG) research. OWL aggregates hundreds of sources of ESG data and research to create company scores.

About Bailard, Inc.

1969

Founded in 1969

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

73%

Owned by Current and Former Employees

- Current and former employees own 56% and 17%, respectively
- Broad equity ownership: 70% of current employees own stock
- No institutional ownership

52%

Women and Minority Owned

74

74 Employees

- Average investment professional tenure of 15 years
- 43% of employees are women
- Led by a female CEO

$5.8 B

Assets Under Management

Data as of December 31, 2023.

Disclosures and Key Risks

This presentation is confidential and may only be used by investment professionals. It may not 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.

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

Key Risks

The Bailard Technology Composite is not by itself a complete investment program and is best suited for investors who can accept the above average risk generally associated with growth stocks and technology stocks. The strategy is primarily subject to the risk that the market value of investments will fluctuate as stock markets fluctuate plus the style and sector risks associated with a complete weighting in the technology sector, which may be more volatile than the overall stock market. The strategy is also subject to the size risks associated with investments in smaller market cap stocks in addition to its predominant tilt toward large cap stocks. The strategy may invest in American Depository Receipts (ADRs) and Global Depository Receipts (GDRs) which are subject to the same risks as the foreign securities that they evidence or into which they may be converted (including political or economic instability, the impact of currency rate fluctuations and different accounting standards). The strategy may invest in derivative securities, which may be volatile and may increase investment leverage.

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

Adherence with strategy's ESG criteria is determined at the date of purchase. Individual equity holdings in the strategy may cease to meet the relevant ESG criteria after the initial purchase but may nevertheless remain in the strategy until a future review or rebalance by the Bailard. As a result, certain securities in the strategy or the client's portfolio as a whole, may not meet the relevant ESG criteria at all times.

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

There can be no assurance that Bailard will achieve its investment objectives. All investments have the risk of loss.

Performance and Other 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.

Technology Composite Performance Disclosures

Composite Definition: The Technology Composite ("the Composite") includes all portfolios invested primarily in the stocks of firms that predominately use technology to drive their business. The Technology Composite is a carve-out (the "Carve-Out") from a composite (the Bailard Inc. Technology & Science Composite) that was managed to the firm's all cap growth / technology and science equity strategy. The Carve Out's portfolio consists of all holdings in the Technology & Science Composite after filtering out health care stocks as defined by GICS. Through June 2016, cash was allocated to the Carve-Out based on the relative value of its holdings within the Technology & Science Composite. Since July 2016 the Carve-Out has been managed as a sub-portfolio with its own cash. As of December 31, 2023, the Composite from which the Carve-Out was drawn consisted of a single mutual fund portfolio, which has been managed in an advisory or subadvisory capacity since 2001. The Composite had a market value of $150.6M as of December 31, 2023. The Composite's returns are total returns presented net of management fees ("net of fees") and assume reinvestment of dividends and other earnings. The returns do not reflect a fiduciary fulfilment fee payable to Bailard (where applicable), or custody and other account expenses not payable to Bailard.

Gross of management fee returns were calculated by Bailard's portfolio accounting system. Through June 2016, net of management fee performance was calculated by netting down the gross return by a model fee of 0.65% (applied by reducing monthly returns by 0.054%). From July 2016, net of management fee performance was calculated by netting down the gross return by a model fee of 0.75% (applied by reducing monthly returns by 0.0625%). This model fee is representative of the fees charged for a separately managed portfolio and is the highest management fee for this strategy. As disclosed in Bailard Institutional's Form ADV Part 2A, Bailard Institutional's annual fee schedule for new accounts is 0.75% of the first $100 million and 0.70% on assets over $100 million. The Composite's complete return history and a list of Bailard's composites are available upon request.

Individual account management and construction will vary depending on each client's investment needs and objectives, including liquidity needs, tax situation, risk tolerance and investment restrictions. Individual accounts may not have the same management fees, expenses, diversification, distributions and cash flows as the Composite account. As a result, an account's actual performance may differ from the performance presented above due to, among other things, timing of investment, contributions and withdrawals, and the client's restrictions, such as restrictions on eligibility to participate in initial public offerings. In addition, performance does not reflect the effects of taxation, which result in lower returns to taxable investors. An investment in this strategy involves a risk of loss, and the value of an investment in this strategy may decrease as well as increase. No representation is made that any account will obtain similar results to those shown above.

For more information on the calculation methodology for the top and bottom contributors and a complete list of each holding's contribution to the overall account's performance during the time period, please contact our Performance Analyst at (650) 571-5800.

Performance Disclosures (continued)

Market Index and Category Definitions: The S&P North American Technology Sector Index ("NA Tech Index") provides investors with a benchmark that represents U.S. equity securities classified under the GICS® technology sector and internet retail sub-industry categories. This index is uninvestable, unmanaged and does not reflect transaction costs. The Morningstar US Open End Tech category ("Universe") is composed of open-end mutual funds that buy technology and health care businesses in the U.S. or outside of the U.S. The Lipper Science and Technology Fund Index ("Lipper Sci & Tech") measures the performance of mutual funds that invest primarily in the equity securities of domestic companies engaged in science and technology and constructs its fund index from an average of other funds in the peer group. The Universe and Lipper Sci & Tech are unmanaged and uninvestable. The NA Tech Index, the Universe, and Lipper Sci & Tech are presented on a total return basis with dividends reinvested. Unlike the NA Tech Index, the Composite may hold cash equivalents, exchange-traded funds, ADRs and GDRs (U.S. dollar denominated foreign securities). Unlike the Composite, the funds in the Universe and Lipper Sci & Tech may have different investment restrictions, may invest in health care and biotechnology stocks, and may invest in different categories of securities than the Composite account. Unlike the Composite returns, the returns of the funds in the Universe and Lipper Sci & Tech are net of all expenses. The Composite's stock holdings can differ materially from that of the NA Tech Index, the Universe, and Lipper Sci & Tech. At times, the Composite's market cap weighting may differ materially from the NA Tech Index, the Universe, and Lipper Sci & Tech. The Composite's holdings may also differ from the NA Tech Index, the Universe, and Lipper Sci & Tech as it may omit certain securities that may otherwise merit investment due to the application of the screening of ESG laggards.

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

The PHLX Semiconductor Sector Index (SOX) is designed to track the performance of a set of companies engaged in the design, distribution, manufacture, and sale of semiconductors; iShares Expanded Tech-Software Sector ETF (IGV) seeks to track the investment results of an index composed of North American equities in the software industry and select North American equities from interactive home entertainment and interactive media and services industries; iShares Expanded Tech Sector ETF (IGM) seeks to track the investment results of an index composed of North American equities in the technology sector and select North American equities from communication services to consumer discretionary sectors. The S&P 500 (SPX) is widely regarded as the best single gauge of large-cap U.S. equities. The index includes 500 leading companies and covers approximately 80% of available market capitalization.

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 Value Index: 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.

Nasdaq-100®: The companies in the Nasdaq-100® include 100-plus of the largest domestic and international non-financial companies listed on the Nasdaq Stock Market based on market capitalization.