

Q1 2024

QUARTERLY UPDATE

Small Cap Value ESG Strategy

Seeking to invest in responsible companies that are attractively valued, under scrutinized, and irrationally mispriced.

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Bailard

Market Commentary

Q1 2024 UPDATE

Equity markets rose again in Q1, but relative returns were skewed toward growth. The seven mega cap technology stocks that did so well in 2023 retained their “magnificence” in Q1, resulting in indices with Magnificent 7 exposure beating indices that lacked it. Curiously, rising interest rates over the quarter did not dampen investors’ enthusiasm for long duration (growth) assets, even with the Fed signaling that potential rate cuts may come later and to a lesser degree than had previously been anticipated.

From a performance standpoint, small cap value stocks went from relatively first in Q4 to relatively worst in Q1. A lower weight in technology stocks coupled with renewed fears regarding banks’ commercial real estate loan exposures contributed to small value trailing the other equity styles in Q1. Micro cap value stocks beat small value stocks for the quarter, in part due to increased merger and acquisition activity in the micro cap universe.

Small cap ESG companies (as measured by the MSCI USA Small Cap ESG Leaders Index) outperformed their comparable non-ESG focused counterparts in Q1, as sentiment toward the clean energy sector began to improve.

MARKET INDICES TOTAL RETURN

| | QTR | YTD | 1 Year | Comments |
|--------------------------------------|-------|-------|--------|---|
| S&P 500 Index | 10.6% | 10.6% | 29.9% | Déjà vu, with the “Magnificent Seven” leading again. |
| Russell 1000 Growth Index | 11.4% | 11.4% | 39.0% | Large growth beat large value, driven again by the “Magnificent Seven.” |
| Russell 1000 Value Index | 9.0% | 9.0% | 20.2% | |
| Russell 2000 Growth Index | 7.6% | 7.6% | 20.3% | Investor preferences leaned toward growth. |
| Russell 2000 Value Index | 2.9% | 2.9% | 18.7% | |
| Russell Micro Cap Value Index | 3.5% | 3.5% | 19.6% | Won for the quarter due in part to increased M&A activity. |
| MSCI USA Small Cap Index | 5.6% | 5.6% | 19.9% | ESG leaders won as clean energy recovers. |
| MSCI USA Small Cap ESG Leaders Index | 6.1% | 6.1% | 18.0% | |

Data through March 31, 2024. Source: Bloomberg, 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 at the back of this presentation for additional information.

Performance Commentary as of March 31, 2024

Q1 2024 PERFORMANCE¹

The Strategy beat the benchmark Russell 2000 Value Index in Q1. Our historically successful alpha characteristics worked well during the quarter, losing to the benchmark only in February where “risk on” stocks and low quality temporarily prevailed.

TOTAL RETURN, NET OF FEE^{1,2}

| | Quarter | YTD | 1 Year | 3 Years | 5 Years | 10 Years |
|-------------------------------|---------|-------|--------|---------|---------|----------|
| Bailard Composite | 4.35% | 4.35% | 24.35% | 6.20% | 11.29% | 8.24% |
| Russell 2000 Value Index | 2.90% | 2.90% | 18.74% | 2.20% | 8.14% | 6.86% |
| Russell Micro Cap Value Index | 3.63% | 3.63% | 18.95% | -0.70% | 8.15% | 7.07% |

ACTIVE RETURN, NET OF FEE^{1,2}

| | Quarter | YTD | 1 Year | 3 Years | 5 Years | 10 Years |
|-----------------------------------|---------|-------|--------|---------|---------|----------|
| Vs. Russell 2000 Value Index | 1.45% | 1.45% | 5.61% | 4.01% | 3.15% | 1.38% |
| Vs. Russell Micro Cap Value Index | 0.72% | 0.72% | 5.40% | 6.90% | 3.14% | 1.17% |

¹ The “Bailard Composite” is the Bailard, Inc. Small Cap Value Composite. The Bailard Small Cap Value Composite includes a Bailard 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 4. See pages 22-24 for market definitions and important disclosures. Source: Bloomberg.

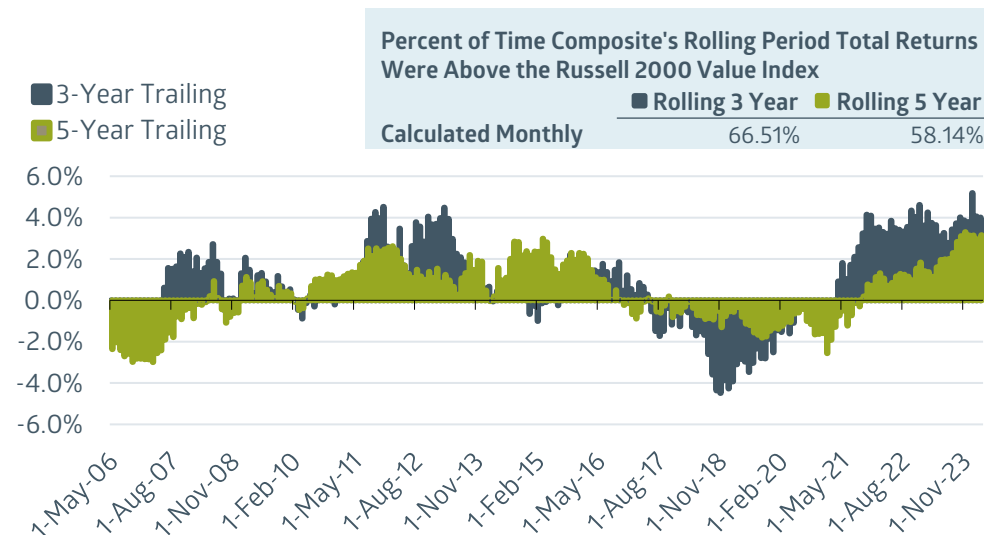
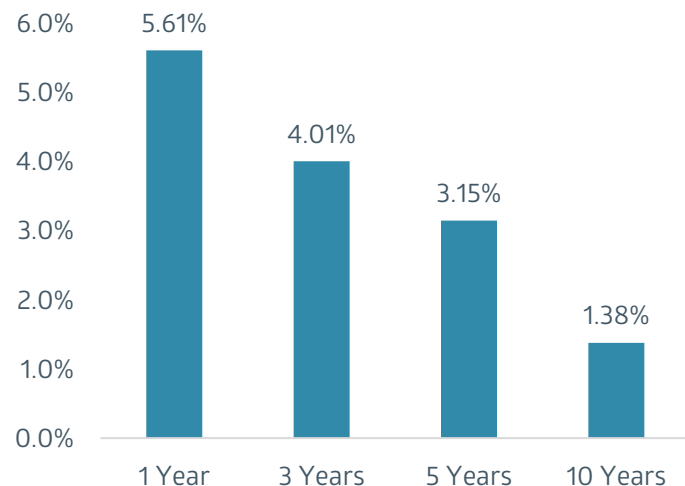
² Active return is the difference between the return of the strategy and the return of the index. Performance statistics are annualized for periods greater than one year.

Performance: Portfolio Risk and Returns

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

As of 3/31/24

Rolling Periods, 5/31/2006 – 3/31/2024



Performance Summary¹ as of 3/31/24

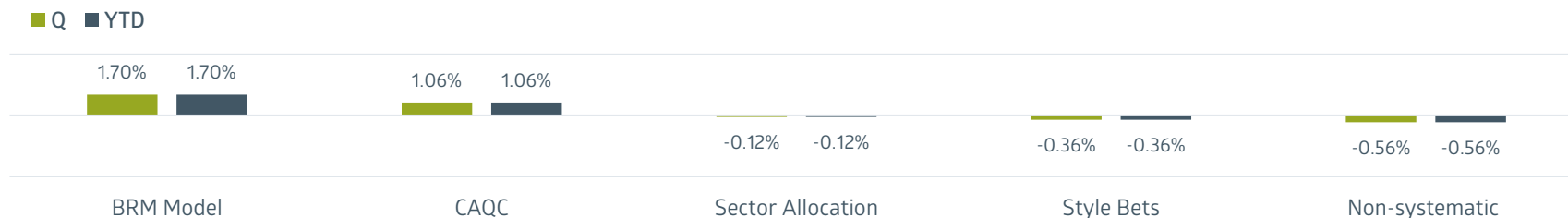
| | TOTAL RETURN annualized for periods > 1 year | | | | | ANNUALIZED STD. DEV. | | | | SHARPE RATIO | | | |
|--------------------------|---|---------|---------|----------|----------|----------------------|---------|----------|----------|--------------|---------|----------|----------|
| | 1 Year | 3 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) | 24.81% | 6.60% | 11.70% | 8.64% | 13.53% | 20.52% | 24.25% | 20.15% | 19.42% | 0.20 | 0.40 | 0.36 | 0.65 |
| Composite (Net of Fee) | 24.35% | 6.20% | 11.29% | 8.24% | 13.11% | 20.52% | 24.24% | 20.14% | 19.42% | 0.18 | 0.38 | 0.34 | 0.63 |
| Russell 2000 Value Index | 18.74% | 2.20% | 8.14% | 6.86% | 12.09% | 21.19% | 24.70% | 20.70% | 20.20% | -0.02 | 0.25 | 0.26 | 0.55 |

¹ Please see additional performance on page 3, and pages 22-24 for important disclosures. **Past performance is no indication of future results.** Sources: Bloomberg, Bailard.

² Trailing returns calculated monthly. ³ Performance statistics are annualized for periods greater than one year.

Attribution Commentary as of March 31, 2024

ATTRIBUTION - NET ACTIVE RETURN VS INDEX*



Q1 2024 ATTRIBUTION

Our primary stock selection tool, our multi-factor Bailard Ranking Model (BRM), delivered nicely positive relative performance for the quarter. Our Earnings Quality factor produced positive results in small caps but detracted to a lesser degree in micro caps. Rising interest rates helped our valuation measures overall as would be expected, but all the benefit accrued in our Relative Expectations Bias factor. Our more forward-looking Analyst Expectations' Bias factor produced barely negative results, likely driven by investor time horizons being compressed as the quarter unfolded. Our Hype (excessive investor attention) factor worked well in both small cap and micro cap. Our proprietary Analyst Herding Bias factor delivered strongly positive results. Our improved, Path-Dependent Anchoring Bias factor was slightly positive in small cap, and essentially flat in micro cap.









Within our subsector-specific stock selection models, the REIT model produced strong positive results, with the bank and insurance models both also working well. The pharmaceutical & biotech model was slightly positive, and the utilities model produced negative results.

Sector allocation slightly detracted from performance with an underweight to energy stocks accounting for the bulk of the underperformance. Style bets detracted as well, with holding smaller banks on average than the benchmark a primary driver. CAQC (Curated Assessment of Qualitative Conviction, our proprietary measure of sophisticated investor interest in stocks that lack quantifiable appeal) outperformed strongly as these stocks tend to have greater growth exposure than the does the rest of the portfolio. Our non-systematic tilts and individual stock selection in small caps, REITs, utilities and banks detracted from performance for the quarter.

* The benchmark is the Russell 2000 Value Index. Please see pages 22-24 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.

Small Cap Value ESG Outlook

SMALL CAP VALUE RETURN DRIVERS

| | Positive | Neutral | Negative | Comments |
|----------------------|--|---|--|--|
| Absolute Valuations |  | | | Historically undervalued. |
| Relative Valuations |  | | | Relatively cheap versus style alternatives. |
| Economic Cycle | |  | | The odds of a soft landing seem to have increased, but the risk of a recession still lingers. |
| Interest Rates |  | | | Rates rose significantly throughout the quarter. |
| Volatility/Sentiment | | |  | VIX stayed low, favoring growth. The Put/Call Ratio fell slightly, favoring value. On balance, indicators are favoring growth. |
| Earnings Revisions |  | | | Revisions were positive for both small cap and large cap companies, but small cap revisions were larger. |
| Dollar |  | | | The dollar strengthened through the quarter, favoring domestically-focused companies. |
| ESG | |  | | Politics has been playing a larger role in ESG recently, but long-term favorable drivers remain in place. |

Source: Bailard as of 12/31/2023. All investments involve the risk of loss.

Small Cap Value ESG Outlook

OUTLOOK SUMMARY

On balance, historically significant return drivers for small cap value stocks are now favorably aligned toward small cap value outperformance. Absolute and relative valuations remain historically cheap, and similar past discounts of this magnitude were followed by strong one-year and three-year returns.

CURRENT P/E TO 20-YEAR AVERAGE*

| As of 3/31/2024 | Value | Growth |
|-----------------|--------|--------|
| Small | 87.2% | 92.3% |
| Large | 107.5% | 139.4% |

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. Lingering inflation appears to have altered investors' expectations regarding the timing and extent of potential future Fed interest rate cuts. At current valuations, small value stocks still seem to be discounting a pending recession. If one does not materialize, valuations appear to be excessively depressed.

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 increase the discount rate applied to future earnings, making them less valuable today and thus, favoring value stocks. 10-year Treasury yields rose through Q1, shortening investors' time horizons and favoring value.

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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. **Past performance is no indication of future results.** All investments involve the risk of loss. Please see important disclosures on pages 22-24.

Small Cap Value ESG Outlook (continued)

Falling uncertainty increases confidence that distant prospective returns will materialize, increasing the appeal of growth stocks and decreasing the attractiveness of value stocks. Investor uncertainty can be approximated and quantified using expected measures of future market volatility. Derived from the price inputs of S&P 500 Index options, the CBOE VIX Index represents the market's expectation of 30-day forward-looking volatility.

The put/call ratio measures the relative volume of put options versus call options currently traded in the market. A low ratio has historically tended to favor value stocks performance over growth stocks, while a high ratio has corresponded with growth stocks marginally outperforming or performing as well as value stocks.

VIX rose very slightly in Q1 but remains at historically low levels, favoring growth. The put call ratio ended the quarter down a bit and remained near its five-year average, very slightly favoring value stocks. On balance, these sentiment indicators currently favor growth stocks.

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 rose through Q1, favoring small cap companies.

ESG Investing

Unfortunately, ESG investing has recently become somewhat of a political issue. We believe that political concerns will fade with time, but they are currently acting as a headwind.

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 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: NuScale Power

NuScale Power's mission: "To improve the quality of life for humankind by advancing nuclear power."

Our Analysis

NuScale Power is the only company with a small modular reactor (SMR) approved by the US Nuclear Regulatory Commission. SMRs are designed to solve the safety and cost issues associated with earlier generations of nuclear reactors.

According to the US Department of Energy, "SMRs offer many advantages, such as relatively small physical footprints, reduced capital investment, ability to be sited in locations not possible for larger nuclear plants, and provisions for incremental power additions. SMRs also offer distinct safeguards, security and nonproliferation advantages."

SMR's are prefabricated offsite using modular design and standardized construction. This allows for rigorous quality control and safety checks before being shipped to their use destination. These standard specifications mean they can be built more rapidly and at lower cost than existing nuclear reactors. They are also more efficient than earlier reactors, needing refueling less often, and generating less toxic waste in the form of spent fuel.

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Small modular reactors (SMR) are designed to solve the safety and cost issues associated with earlier generations of nuclear reactors.

The reference to a specific security is intended only to *illustrate the type* of company/stock that Bailard's portfolio Small Cap Value ESG Strategy might hold. The company equity mentioned here was not a holding within Bailard's Small Cap Value ESG Strategy portfolio as of March 31, 2024. It does not represent any past, present, or future *recommendation* of Bailard. Specific investments described herein do not represent 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.

Small Companies Making a Big Difference

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ESG Solutions Company Focus Example: NuScale Power

NuScale Power's mission: "To improve the quality of life for humankind by advancing nuclear power."

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NUScale's SMRs use passive safety systems with gravity-driven coolant circulation, and are therefore not dependent upon external power, human intervention, or mechanical systems such as pumps or fans that could fail in an emergency. If necessary, the SMR will shut down and self-cool indefinitely, with no operator action, electricity or additional water needed.

Because they can be located completely underground, and in remote, secure locations, the risk of damage from natural disaster or terrorist attack is also reduced.

SMRs also employ advanced fuel cycles designed to reduce the radioactivity, longevity and volume of waste generated.

The need for reliable electricity is rapidly increasing due to electric vehicle charging, AI adoption and datacenter demands. At the same time, fossil-fueled legacy powerplants are being retired. Wind and solar can help, but their intermittent output remains a stumbling block. Small modular reactors offer an attractive, uninterrupted power supply solution, and NuScale Power appears well positioned to provide them.

Why We Do What We Do: The Measures We Take to Help Produce Consistent Outperformance



- ✓ **We have outperformed our benchmark index for four consecutive years (calendar years 2020, 2021, 2022, 2023).**
- ✓ **We had a very high batting average over the past five years as well, beating the Index in 39 out of the 60 months ending December 31, 2023.**
- ✓ **Versus our small value competitors, we were in the second percentile for batting average over the past five years (1st percentile is best.)¹**
- ✓ **We also were in the second percentile for information ratio over the 5 years, indicating we got a lot of return for the smaller amount of risk that we took.¹**

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¹Among its eVestment U.S. Small Cap Value universe for Batting Average (percentage of months beating the benchmark) for the 5 years ending December 31, 2023.

Why We Do What We Do: The Measures We Take to Help Produce Consistent Outperformance

How did we do it? We believe there are three main elements that have contributed to our performance consistency:

1. Alpha stability.
2. Unwanted risk avoidance or minimization.
3. Necessary or desired risk control or mitigation.

1. Alpha Instability

A seasoned investor knows that while there are several strategies that have historically beaten the market over time, there are none that have beaten the market all the time.

Any historically successful single strategy type (value, momentum, etc.) on its own is likely to deliver significant periods of both outperformance and underperformance, even if over a longer timeframe the net results are positive.

The good news is that some individually successful strategies are not highly correlated with others, and a few have historically actually been anticorrelated, with one outperforming while the other underperforms and vice versa.

The current success characteristics (factors) we use in our composite stock selection models consist of contrarian (value) factors that perform typically in opposition to current market

trends, trending factors that typically perform in conjunction with current trends, a mixed factor that has both contrarian and trending elements, and one factor that is uncorrelated with either group.

Bailard Small Cap Value ESG composite stock selection model makeup:

- Two Contrarian (value) factors: Relative Expectations Bias, Analyst Expectations Bias
- One mixed factor: Anchoring Bias
- Four trending factors: Earnings Quality, Analyst Herding Bias, Hype, Text Sentiment
- One uncorrelated factor: CAQC

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Why We Do What We Do: The Measures We Take to Help Provide Consistent Outperformance

1. Alpha Instability (continued)

While factors within each of these categories tend to respond to market conditions similarly, they rarely move in lockstep with one another. As a result, within each group we tend to prefer factors with lower positive correlations in the hope of capturing more of the nuances of the prevailing market sentiment.

While broadening and diversifying our potential alpha sources has helped with performance consistency, there are certain situations where few or even none of our factors work well or at all. These periods, where low quality and generally less attractive companies tend to outperform are commonly known as “junk stock rallies”, and typically occur immediately following bear market bottoms, particularly those associated with economic recessions.

Low quality or “junk” stocks suffer from elevated bankruptcy risk due to high leverage, low profit margins, low or no earnings, negative cash flows, etc. This lack of financial flexibility leaves them particularly vulnerable to economic downturns, as their future viability may hinge on how quickly business and consumer spending recovers.

When market sentiment turns positive anticipating an economic recovery, many junk stocks get a new lease on life as the danger of imminent bankruptcy becomes less likely. Subsequent junk stock outperformance during these rally periods has historically been substantial.

Outside of junk rally periods, most junk stocks have proven to be poor long-term performers, and therefore unattractive buy and hold candidates. However, our recent research discovered a small subset of junk stocks that possessed sufficient other positive characteristics on average to prevent them from acting as a long-term performance drag, while still behaving similarly to other junk stocks during junk stock rallies. As all junk stocks are “living on the edge” due to their marginal financial situations, we decided to name this more successful subset “thriving on the edge” stocks.

For performance consistency purposes, last fall we added a small portfolio allocation to “thriving on the edge” stocks in an attempt to protect us from Q4’s junk stock rally and future junk rallies. So far, this allocation has performed as we had hoped.

2. Unwanted Risk Avoidance or Minimization

“No risk, no reward” is an old adage, and there is an element of truth to it, but not all risks offer many or any rewards. Driving a car without wearing a seatbelt definitely increases your risk exposure, but without an obvious reward.

The first step in determining whether a risk is worth taking is accurately measuring the size of the risk. Moving your car 100 feet down a quiet cul-de-sac without a seatbelt is entirely different from driving a winding mountain road on a rainy night without buckling up.

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Why We Do What We Do: The Measures We Take to Help Provide Consistent Outperformance

2. Unwanted Risk Avoidance or Minimization (continued)

According to multi-factor risk decomposition, the largest contributor to portfolio risk is market risk, being in or out of the stock market. Because of the substantial historical and expected return differences between stocks and cash, investors attempting to time the stock market do so at their peril. We avoid this risk by being as close as practical to 100% invested in stocks at all times.

The second largest contributor to portfolio risk is industry risk, or what percentage of the portfolio is invested in different economic sectors and industries. Many active managers, due to confidence in their predictive abilities, particular areas of focus, or due to stock selection process or data limitations, make significant industry and sector bets. They often double or even triple weight particular economic sectors and avoid others entirely. In contrast, even though our stock selection models have historically demonstrated success at overweighting and underweighting industries, we believe that the risk involved eclipses the potential payoff from correct predictions. As a result, we make very limited industry group tilts, generally remaining within +/-1% of our benchmark index's weights. As of 3/31/2024, our average absolute economic subsector weight deviation was 0.52%.

The next largest contributor to portfolio risk is idiosyncratic or

stock specific risk. Individual companies face risks that are particular to them, be it management capability, competitive pressures, financial flexibility, operational, regulatory, labor or supply chain issues. These risks are largely independent of macro factors that drive stock market returns overall.

Not only is idiosyncratic price movement the third largest contributor to equity portfolio risk, but most investors are unaware that this stock specific risk has been rising for decades.

Portfolio managers take on significant idiosyncratic risk for a variety of reasons. Overconfidence is a primary driver, as is the illusion of control. Familiarity bias can also play a role, as can the time limitations associated with many traditional valuation techniques.

Our alpha sources are driven by characteristics, not individual stocks, and therefore we do not require concentrated individual stock positions in order to satisfy our portfolio goals. As of 3/29/2024, our largest individual stock position was 0.84%, over five times smaller than the average largest individual stock position of 4.44% held by our small value competitors.

We addressed idiosyncratic risk and our management of it in greater detail in our [Q3 2023 Strategy Update](#).

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Why We Do What We Do: The Measures We Take to Help Provide Consistent Outperformance

3. Necessary or Desired Risk Control or Mitigation

In active equity investing, there are risks worth taking, and those that are better off avoided. How can you tell which is which? A good question to ask yourself is, “where is my stock selection advantage?” If you cannot identify your advantage, it is almost

guaranteed that you do not have one, and therefore risk avoidance is probably the path of choice. If you are able to identify a legitimate competitive advantage, it is logical to focus your efforts there, and accept the accompanying risks as necessary.

In our small cap value ESG strategy, we have worked (and continue to work) long and hard to identify competitive advantages that we believe will persist into the future.

We overweight micro cap stocks versus our benchmark because micro cap stocks have historically outperformed small cap, and we believe the drivers of that outperformance; less investor scrutiny, slower dissemination of information, greater insider ownership, etc. are likely to remain sources of alpha going forward.

Similarly, we overweight exposure to value stocks as we define them, as they have also outperformed historically, and due to the discomfort inherent in owning them, we believe their performance advantage is unlikely to be arbitrated away.

When incorporating necessary risks into a portfolio, a drive for performance consistency requires that these desired exposures be

limited as well. While micro cap stocks historically have outperformed, their performance can deviate significantly from small cap stocks. Similarly, deep value stocks have outperformed relative value stocks over time, but they have also experienced long periods of underperformance.

Additional risks we choose to take include overweight exposures to our multiple success characteristics as expressed in our stock selection models. As many of these characteristics rely upon mispricing due to investor behavioral errors, we are confident of their persistence.

Additional risks we choose to avoid include heightened bankruptcy risk, as our research suggests that this risk largely goes uncompensated. We also use our proprietary ESG Capture® methodology in an attempt to identify, quantify and avoid non-financial risks including negative externalities that could potentially result in litigation, regulation, reputation risks and other adverse consequences.

The measures described above are far from an exhaustive list of the steps we have taken since 2019 in order to achieve more consistent performance, but they are good summary of the main drivers. We are always seeking paths to further improvement, but feel we have made tangible progress toward benchmark beating consistency over the past five years.

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Portfolio Characteristic Comparison¹

As of 03/31/2024

| | Bailard, Inc. Small Cap Value Composite ² | Russell 2000 Value Index |
|-------------------------------------|--|-----------------------------|
| BRM Score | 77.9 | 52.9 |
| ESG Capture [®] | 64.2 | 54.4 |
| Price/Book Value | 2.6x | 2.4x |
| Price/Earnings (trailing 12 mo.) | 26.4x | 33.0x |
| Price/Cash Flow | 11.3x | 14.1x |
| Return on Equity | 9.4% | 4.0% |
| Debt to Capital | 43.0% | 39.9% |
| Number of Holdings | 317 | 1417 |
| Avg. Market Cap \$MM | \$3,389 | \$3,027 |
| % Micro Cap Stocks | 25.1% | 18.7% |

Sources: Factset, Bailard. ¹The information presented on this page, while representative of the Bailard Asset Management Small Cap Value ESG Strategy, should not be solely relied on as it can differ from client to client and could vary over time. ²The Bailard 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. Data 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.

Small Cap Value ESG Strategy Team

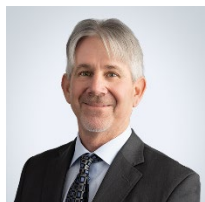


THOMAS J. MUDGE III, CFA

Portfolio Manager | SVP | Director, Equity Research

Investment experience: 37 years; 37 years with firm

Tom leads Bailard's equity research and serves as portfolio manager of the Small Cap Value ESG 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: 30 years; 8 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 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: 13 years; 12 years with firm

Osman serves as Vice President of Domestic Equities and as a portfolio manager for Bailard's Small Cap Value ESG 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 Strategy Team



ANNALISE DURANTE

Senior SRII Research Analyst

Investment experience: 9 years; 6 years with firm

Annalise rejoined Bailard in 2023 and serves as both a Senior SRII Research Analyst and Investment Counselor for the Sustainable, Responsible and Impact Investing (SRII) group. As a Senior SRII Research 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: 33 years; 33 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.

Investment Philosophy

- **Behavioral anomalies can provide an enduring source of alpha.**
 - Market participant irrationality is recurring, predictable, and therefore exploitable.
- **Less scrutiny can mean greater opportunity in our Bailard Ranking Model and ESG.**
 - Bargains or advantages are rare where everyone else is looking.
 - Small and micro cap stocks can be 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.

Our Bailard Ranking Model (BRM) is a proprietary, multi-factor, quantitative tool for determining relative stock attractiveness within each of the 24 economic sub sectors. More information about the BRM can be found on pages 10, and 21 to 23.

Bailard's Small Cap Value 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

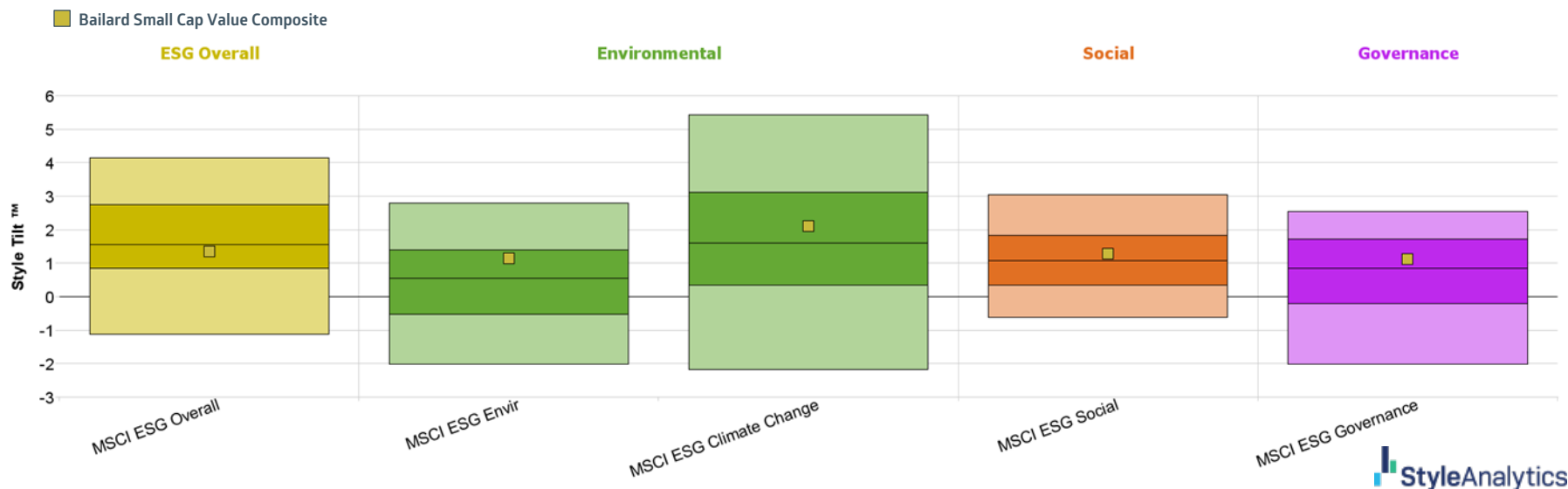
* This revenue threshold removes clear offenders while not excluding grocery stores, hotels, airlines, restaurants, cable television, cell phone service providers, etc.

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.

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 December 31, 2023. There were 149 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.

Why the Bailard Small Cap Value ESG Strategy?

| SMALL CAP INVESTING CHALLENGES | OUR SOLUTIONS |
|---|---|
| Thousands of Stocks With No Top-heavy Concentration |  <p>Systematic methods helps 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.</p> |
| Higher Volatility |  <p>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.</p> |
| Limited Information |  <p>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.</p> |
| Higher Bankruptcy Risk |  <p>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.</p> |
| Liquidity Constraints |  <p>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.</p> |
| Limited ESG Data and Poor ESG Vendor Score Coverage |  <p>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.</p> |

About Bailard, Inc.¹

1969

Founded in 1969

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

73%

Employee owned and controlled

- Current and former employees own 56% and 17%, respectively
- Broad equity ownership: 71% of current employees own stock
- No institutional ownership

52%

Women and minority owned

77

77 employees

- Average investment professional tenure of 15 years
- 45% of employees are women
- Led by a female CEO

\$6.0B

Assets Under Management

¹ Data as of March 31, 2024.

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 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 Strategy.

Small Cap Value Composite Performance Disclosures

The Bailard Small Cap Value Composite (the "Composite") includes a Bailard portfolio invested solely in small and micro capitalization U.S. equities that exhibit value characteristics. The Small Cap Value ESG Strategy is implemented within the Bailard Small Cap Value Composite. As of March 31, 2024, 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 \$104.6 million, which represented 1.7% of the total assets under Bailard's management. The ESG Capture component was explicitly introduced to the portfolio in December 2019. 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 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 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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