Bailard Real Estate Fund
Quarterly Fund Summary

Q1 2025

Town & Country, Orange, CA

For the quarter ending March 31, 2025:

Bailard Real Estate Fund Q1 Highlights

PERFORMANCE

The Fund's quarterly NCREIF-based gross return was 1.0%, and 0.8% (net of management fee). For the year ended March 31, 2025, the Fund earned a gross return of 2.0%, and 1.2%, net. Since inception in April 1990, the Fund's annualized returns are 8.8% (gross) and 8.2% (net).[1]

INCOME

As of March 31, 2025, the Fund's property portfolio was 92% leased, unchanged from Q4 quarter-end.[2] The total portfolio's Net Operating Income (NOI) decreased by 3.1% year-over-year (Q1 2025 vs. Q1 2024). Measured on a "same-store" basis (excluding properties not owned or not yet operational for the entire measurement period), NOI increased by 4.4% year-over-year.

BALANCE SHEET

As of quarter-end, the Fund held $94.5 million in cash and cash equivalents, or 7.0% of the Fund's Gross Asset Value (GAV).[3] Cash and cash equivalents are inclusive of the $17.5 million held in property-level operating accounts reserved for operations, maintenance, property taxes and ongoing capital needs including tenant improvements, leasing commissions, repairs and maintenance expenditures, and other property improvements. The aggregate loan-to-value (LTV) ratio for the Fund stood at 23.9% at quarter-end, down from 26.3% at the end of Q4 2024, and down 5.2% or 520 basis points[4] from 29.1% one year ago at the end of the first quarter of 2024.[5] The Fund's in-place weighted average interest rate was 5.2% at the end of the quarter, down 20 bps from 5.4% at Q4 quarter-end and lower than it was one year earlier at the end of Q1 2024, when the average in-place interest rate was also 5.4%.

A LOOK BACK

The Fund's Q1 2025 NCREIF-based return, inclusive of Income, was 1% gross and 0.8% net of fee. It was the Fund's fourth straight quarter in positive territory after a challenging six-quarter stretch of negative returns. The Fund has a one-year return of 2%, gross and 1.2%, net of fee.

For several quarters it has "felt" like the worst is behind us and that real estate is slowly and steadily (if, so far, uninspiringly) breaking free from the two-year downturn which has buffeted the asset class since the Fed started raising interest rates in 2022. Though the Bailard Real Estate Fund's returns have improved modestly each quarter for the past four quarters, and there are no obvious operational challenges that could upset this trend, there is one large, amorphous, exogenous factor out there that could impact both real estate and the economy that is impossible to evaluate with any degree of confidence: President Trump's second term. It will take some time for all of Trump's policy initiatives to be clearly articulated and implemented. And it will also take time for their impact to ripple through the economy and be felt "on the ground" in the real estate sector. It is possible that some of Mr. Trump's policies end up being good for the asset class. It is also possible that some will create additional speed bumps and delay real estate's nascent recovery. It is still too early to tell.

1 Gross-of-fee and Net-of-fee returns are calculated using National Council of Real Estate Investment Fiduciaries (NCREIF) Public Real Estate Association (PREA) time-weighted return methodology quarterly. ***Past performance is no indication of future results. All investments have the risk of loss.*** *Please see pages 15-16 for additional performance information and important risks and disclosures on the last page.*

2 The Fund's leased percentage is based on NCREIF-PREA Reporting Standards life cycle categories, which excludes non-operating assets such as land, development assets, and assets that completed construction, are less than 60% leased, and have not reached one year after construction completion. Lease percentage is calculated as of quarter-end and is weighted by the Fund's legal share of the gross real estate value.

3 Market value of cash equivalents shown is before quarterly shareholder transactions. Cash and cash equivalents consists of Fund-level and property-level cash. Reflects Cash and cash equivalents divided by Gross Asset Value.

4 A basis point (bp) is 0.01%.

5 Per the NCREIF PREA Reporting Standards, leverage percentage is calculated as follows: the Fund's economic share of outstanding debt at par divided by the Fund's total gross assets (the Fund's economic share of gross real estate, cash and cash equivalents, and other assets).

6 As stated in the offering memorandum, the Fund Board has discretion to honor redemption requests as well as accept new capital and investors, in order to manage cash flow for effective Fund operations. There have been times when the Fund has not provided liquidity.

Specific investments described herein do not represent all investment decisions made by Bailard. It should not be assumed 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.

If the first three months of Trump's presidency are any indication, buckle-up, it's going to be a wild ride. The *Financial Times* ("FT"), in a February 15th article by Guy Chazan, Amanda Chu, and Josh Franklin captures the mood swing just 3 weeks into President Trump's second term. "Trump's election victory last November unleashed a wave of enthusiasm on both Wall Street and Main Street, with the dollar surging and stocks hitting record highs as investors bet on stronger economic growth, less regulation, and lower taxes. But there are indications that large swaths of corporate America are already beginning to sour on Trump as concerns grow about the negative economic impact of his trade and immigration policies."[7]

The worry for business leaders has been multi-layered: Trump's tariffs will hit their businesses in myriad ways, his crackdown on immigration will make the current labor shortage more acute, and his government reform blitzkrieg will severely disrupt a smoothly functioning federal bureaucracy. "The initial euphoria we saw in January over a pro-business president is giving way to consternation" says Jeffrey Sonnenfeld, senior associate dean of leadership studies at the Yale School of Management.

At the time of the FT article, David Solomon, CEO of Goldman Sachs felt that the gloom was overdone saying, "we're still excited" about the president's pro-growth agenda that will "spur investment". However, Solomon acknowledged that the "broad policy landscape was still uncertain" regarding Trump's plans for immigration, tax, trade, and energy. "Until we have more clarity on those policies, that's going to create a little bit of volatility."

"Nobody knows what's up" said Nick Pinchuk, CEO of toolmaker Snap-on. It's like Space Mountain at Disney World. "You get in a car, and you're in the dark, and the car goes left and right, and left and right with abrupt turns, and you don't know where you are going. But you're pretty confident that eventually you're going to get to the right place back at the bottom."

The 2025 World Economic Forum's (WEF) Annual Meeting in Davos, Switzerland kicked-off on January 20, President Trump's inauguration day. Three days later, via satellite link, Mr. Trump gave a special address to a room full of delegates at the Forum. It was classic Trump. The speech lasted 55 minutes and was full of bluster, exaggeration, hard-selling, soft-selling, and even some flattery. It seemed aimed more at American voters than an audience of business, political, and academic leaders from the G20 nations.

In a March 15 article entitled *The Fading Aura of US Invincibility*, the FT shared insights by Sam Fleming, Harriet Agnew, and Greg Meyer that reflected back on the WEF event, "In January, meetings at the World Economic Forum in Davos, Switzerland, buzzed with talk of American dominance over a sclerotic Europe and a stagnating China. That ebullient mood has been shattered by Trump's first weeks in office. The bewildering volatility of the president's policymaking – as tariffs are threatened, withdrawn, ratcheted up, and then dialed back again – is raising uncertainty, dampening sentiment, and prompting recession warnings."[8]

While Trump made clear during his election campaign that he wanted to double-down on the trade wars of his first term, his policies have proved far more wide-ranging and aggressive than most analysts expected.

On February 19, at a Saudi-backed investor conference in Miami one month after Trump took office, the President trumpeted a list of positive economic indicators: The Nasdaq was up 10% in just a few months, the DJIA had gained 2,200 points in the same period, and the S&P 500 was hitting an all-time high. Soon after that appearance, Trump began rolling out his "on-one-day off-the-next" barrage of tariffs on America's largest trading partners and the stock market tanked. In just a few weeks, the S&P lost $4 trillion in value driven by his whipsaw trade policies and souring consumer sentiment anticipating higher prices and weaker growth. Between February 20 and March 31 the S&P 500 was down 533 points, 8.7% off its all-time high six weeks earlier.

The Wall Street Journal put it this way in a March 17 article entitled, *Corporate Elation Over Trump Gives Way to Distress*, At the beginning of the year the attitude was "full-on, this was going to be an

7 Chazan, G., Chu, A., Franklin, J. (14 Feb 2025). Financial Times. https://www.ft.com/content/a7c9376b-4cb2-4cf2-a665-66f75b72f4c2.
8 Fleming, S., Agnew, H., Meyer, G. (14 Mar 2025). Financial Times. https://www.ft.com/content/1a149997-c81f-4119-9e6e-0f61323b6b90.

exceptionally pro-growth agenda and it will be executed in a clear way," said Ed Al-Hussainy, global interest rate strategist at Columbia Threadneedle. "All of that has gone in reverse."

"There's an overriding sense of helplessness" among business executives, said Sean West, co-founder of Hence Technologies. "CEO's are feeling stunned, and they are not used to being stymied." Investors had reason to think that Trump's economic team might steer him away from such unpredictability. Treasury Secretary Scott Bessent, a hedge fund investor, cautioned clients in January 2024 to treat Trump's trade bluster as a negotiating stance. "Tariffs are inflationary and would strengthen the dollar – hardly a good starting point for a U.S. industrial renaissance."[9] Not the same message he's been touting of late.

A substantial part of the problem for business leaders and investors who are trying to divine where things are going is the inconsistent messaging emanating from the White House as multiple voices compete for air time. For example, leading up to President Trump's "Liberation Day" declarations on April 2, he viewed universal tariffs as simple and easy to explain. On the other hand, advisors like National Economic Council director Kevin Hasset and Commerce Secretary Howard Lutnick argued that the American public would understand the tit-for-tat principle underlying a reciprocal approach. In the end, Trump did both.

On April 4, two days after "Liberation Day", The Wall Street Journal piece entitled, *The White House Whirlwind That Led to 'Liberation Day'*, put it this way: "Trump, who has called himself 'a tariff man', imposed a plan similar to one he proposed on the campaign trail. He did so almost entirely based on his own vision for the U.S. economy, upending decades of U.S. trade policy without keeping many of his advisors in the loop and frustrating some Republicans who have backed his America First message."

The article goes on, "The hope is that the disruptive effects of tariffs, deportations, spending cuts, and government layoffs will wear off soon and allow the positive effects of reshoring, cheaper energy, deregulation, and lower taxes to emerge. The anxiety among business leaders, investors, and consumers that greeted Trump's 'Liberation Day' pronouncements suggests that threading that needle will be treacherous."[10]

John Burn-Murdoch in the FT on April 5 put it this way in an article titled, *The President's Chaos is Alienating Republicans*, "Those hoping for prosperity under Trump have had an unpleasant shock. Wednesday's so-called "Liberation Day" was the culmination of a 10-week long bonfire of conservative economic convention in America. The standard fare of growth-seeking deregulation and tax cuts gave way to an act of amateurish economic vandalism that betrays both the 'us vs. them' ideology at the heart of everything Trump does, and the lack of any clear framework to his actions."[11]

Economists abhor uncertainty. Trump feeds off it. Measures of economic policy uncertainty have exploded to all-time highs both in the U.S. and worldwide in recent weeks. Officials and companies alike have been buffeted this way and that by announcements that even those making them seem unable to predict. The administration's goal seems more about leverage than feeding into a coherent industrial policy.

Former Republican Congressman Phil Gramm echoed Mr. Burn-Murdoch in an April 15 Wall Street Journal editorial, "Not since Herbert Hoover signed the Smoot-Hawley Tariff Act 95 years ago, has a President chosen to disregard a larger body of informed opinion than President Trump did when he instituted his barrage of tariffs in recent days. Based on a series of verifiably false grievances – stagnant wages, the hollowing out of U.S. manufacturing by imports, and countries with trade surpluses must be ripping off Americans – Mr. Trump used constitutionally questionable powers to abrogate congressionally approved trade agreements and undermine the world's trading systems. Even if Trump's trade policies succeed in bringing back some manufacturing jobs and the U.S. can dodge a recession, the U.S. economy will be less efficient, economic

9 Timiraos, N., Leary, A., Cutter, C. (17 Mar 2025). The Wall Street Journal. https://www.wsj.com/economy/wall-street-trump-golden-age-distress-28a1dfcc.
10 Gavin Bade, G., Dawsey, J., McGraw, M. (4 Apr 2025). The Wall Street Journal. https://www.wsj.com/politics/policy/trump-tariff-rollout-decisions-46dc0959.
11 Burn-Mudoch, J. (5 Apr 2025). Financial Times. https://www.ft.com/content/26d15d7e-dd36-4ca1-b974-da8a57bce290.

growth will be stunted, and most Americans will be worse off."[12]

Economists and market watchers spent the better part of 18 months from early 2023 through mid-2024 discussing the potential for a recession that never materialized. It was, for most, "when" rather than "if". They provided thoughtful and compelling commentary on the reasons that a contraction was lurking on the horizon… and how deep it might be and how long it was likely to last. It became the most anticipated and elusive recession in decades. Then, as inflation declined toward the Fed's 2% target, and the economy seemed to settle into a rhythm of steady monthly job gains, solid GDP growth, encouragingly low unemployment, all backed-up by a reliably resilient consumer, the central bank seized an opening to begin its easing cycle. In September 2024, the Fed lowered interest rates 50 basis points to a range of 4.75% to 5%. Contrary to Trump's campaign trail talking points that the U.S. economy had gone to hell in a hand basket, the economy was actually in a good place. That reality bolstered a new narrative whereby Fed Chair Powell was steering the U.S. economy to a rarely-achieved soft landing.

One quarter into President Trump's second term, soft landings are no longer what experts are betting on and the "R-word" is back on the table. And that is prompting some big names in finance (many of whom are ardent Trump supporters) to speak out. The basic message: "Stop the madness."

Recently, Bill Ackman, hedge fund manager at Pershing Square shared his thoughts on X: "We are in the process of destroying confidence in our country as a place to do business and a market in which to invest capital."[13] JPMorgan CEO Jamie Dimon, wrote in his annual letter in early April that he is concerned that Trump's tariffs will affect long-term economic alliances, which would weaken the U.S. "Economics is the long-time glue, and America First is fine as long as it doesn't end up being America Alone."[14]

Katie Martin, in an April 12 FT piece, paints an unflattering picture of where President Trump's erratic trade policy prescriptions have landed us. Recent market gyrations do suggest "some difficult truths for the Trump administration: many stock investors would rather put their money elsewhere, and America's financial assets are losing their sheen of the global hegemonic dominance they have enjoyed for decades. Quite simply, the trust is gone", or at least is severely diminished and it is difficult to see what can be done about it while a predictably erratic and undisciplined Trump is in the White House.

"The optimistic case is that we have passed 'peak stupid'. "Markets did impose some discipline on Trump's more outlandish instincts on tariffs recently, and perhaps now some adults in the room can guide future economic policy on a less confrontational footing. Regardless, for the time being, a risk premium will sit on US assets that has not been there before."[15]

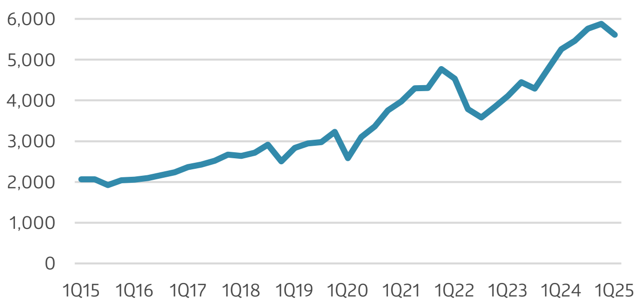
JPMorgan's Dimon offers a hopeful retort: "This is still the most prosperous nation on the planet, with the deepest and widest capital markets the world has ever seen." "If you're going to invest your money in something, America is still a pretty good place in a turbulent world."[16] That has historically been the conventional and irrefutable wisdom.

12 Gramm, P. (15 Apr 2025). The Wall Street Journal. https://www.wsj.com/opinion/trumps-tariffs-are-as-bad-as-bidenomics-d8a0d92b.
13 Ackman, B. (6 Apr 2025). X. https://x.com/BillAckman/status/1908992002366292286.
14 Dimon, J. (7 Apr 2025). JPMorganChase. https://www.jpmorganchase.com/ir/annual-report/2024/ar-ceo-letters.
15 Martin, K. (12 Apr 2025). Financial Times. https://www.ft.com/content/fbe7ea0b-9738-4a34-b983-61747cef41e5.
16 Saeedy, A. (11 Apr 2025). The Wall Street Journal. https://www.wsj.com/livecoverage/stock-market-trump-tariffs-trade-war-04-11-25/card/u-s-is-still-a-pretty-good-place-for-investors-says-jamie-dimon-x7D7ld49DmILHtraKVVo

Real Estate Economic & Market Conditions

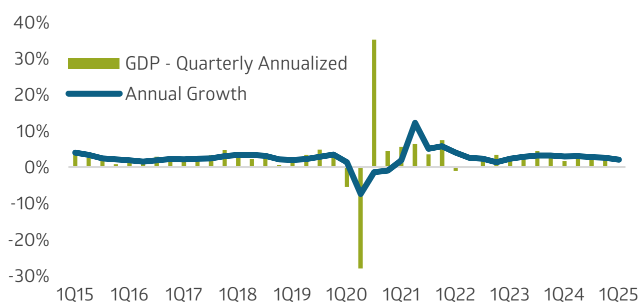
(as of March 31, 2025)

S&P 500 Index[1]



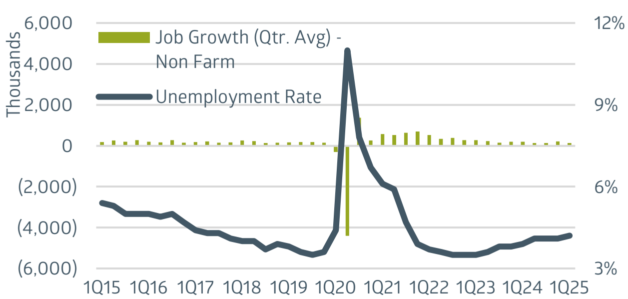
- The S&P 500 finished Q1 2025 at 5,612, down 4.6% for the quarter from year-end 2024, and up 6.8% year-over-year.
- The top performing sectors during the quarter included Energy (9.3%), Health Care (6.1%), and Consumer Staples (4.6%).
- Underperforming sectors during the quarter were Consumer Discretionary (-14.0%), Information Technology (-12.8%), and Communication Services (-6.4%).

Real Gross Domestic Product (GDP) Growth



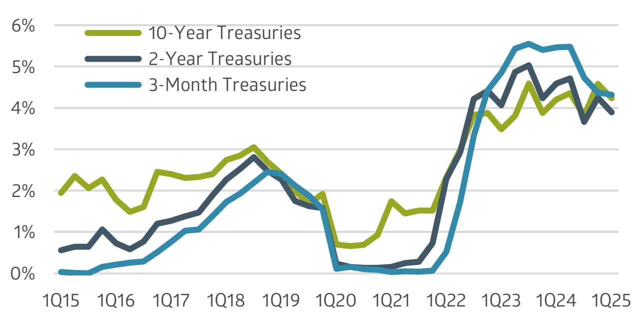
- GDP in Q1 grew at an annualized rate of -0.3%, 275 basis points[2] less than the Q4 2024 Quarterly Annualized rate of 2.5%.
- Myriad factors contribute to the quarterly GDP numbers, but it appears that at least some of the reason for the quarterly decrease was due to uncertainties engendered by the Trump administration's evolving trade policies and on again-off again tariff impositions.
- Year-over-year, GDP is up 2.05%, which is down from the rate of growth a year ago at 2.90% in Q1 2024.

Job Growth and Unemployment Rate



- In Q1, non-farm payrolls added 398,000 jobs, averaging 133,000 per month, a 32.2% decline from the same period a year ago and down 36.6% from Q4 2024.
- Q1's average job growth (~154k/month) lags the 10-year average, which may be due to lower federal employment, rising layoffs, and market uncertainty.
- Quarterly unemployment ended Q1 at 4.2%, up 10 basis points[2] quarter-over-quarter and 30 bps year-over-year. While still considered healthy by most economists, it's the highest rate recorded in four years.

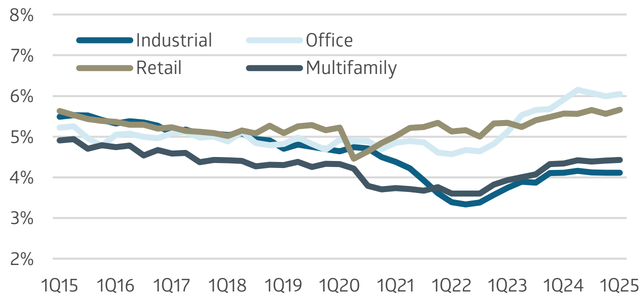
U.S. Treasury Yields



- The 10-Year Treasury finished Q1 at 4.23%, down 35 bps from Q4, and a decrease of 3 bps year-over-year.
- At the end of Q1 the 2-Year Treasury yield was 3.89%, down 36 bps quarter-over-quarter and a decrease of 70 bps from a year ago.
- The 3-Month Treasury finished Q1 at 4.32%, a decrease of 5 bps from Q4, and down 114 bps from the end of Q1, 2024.

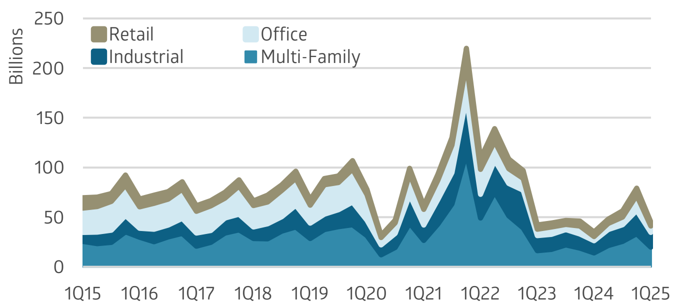
Sources: FactSet, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Federal Reserve Bank of St. Louis.
1 Returns of the S&P 500 Index are presented as price change only. 2 A basis point (bp) is 0.01%.

Capitalization Rates[3]



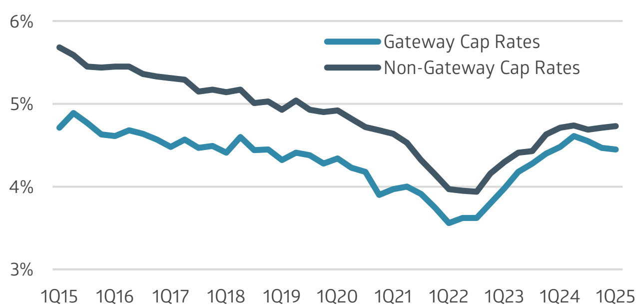
- According to the National Council of Real Estate Investment Fiduciaries (NCREIF), capitalization rates at the end of Q1 for multifamily, industrial, office, and retail properties were 4.4%, 4.1%, 6.1%, and 5.7%, respectively.
- During the quarter, office and retail cap rates increased from Q4 by 10 bps. Both Multifamily and industrial cap rates remained the same from Q4.
- Year-over-year, office, retail, and multifamily ticked up 10 bps, while industrial held flat.

Investment Volume



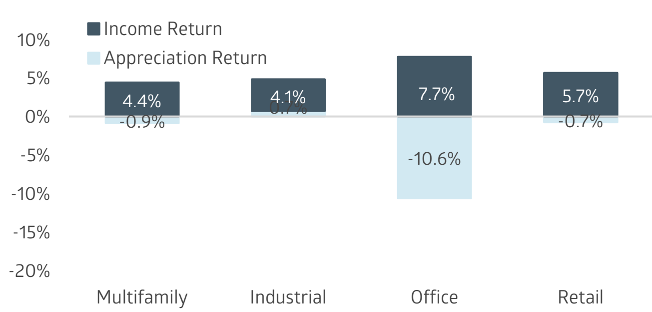
- In Q1, the total transaction volume across the four main property types reached $40.2 billion, a 46% decrease, quarter-over-quarter, and a 28% increase, year-over-year.
- The multifamily sector contributed the largest share of the total volume, with $19.9 billion representing a 41% increase year-over-year.
- Office transaction volumes fell by -56% to $6.5 billion from the prior quarter's total volume of $14.9 billion.

Cap Rate to Ten-Year Treasury Spreads[4]



- In Q1, the cap rate for U.S. "Gateway" markets decreased 2 bps from the previous quarter to 4.5%.
- On average, over the last 10 years, cap rates for "non-Gateway" primary markets is typically 52 bps wider than the "Gateway" markets.
- As of Q1-end 2025, the spread of "non-Gateway" market cap rates over Gateway market cap rates is 28 bps, 4 bps wider than last quarter, and 5 bps wider than Q1 2024.

One-Year Performance, NFI-ODCE Unleveraged Property Returns[5]



- As of Q1, the NFI-ODCE Equal Weight (EW) Index had a 1.0% return, gross of fees, for the quarter, resulting in a 1.6% one-year return.
- Industrial and retail were the top-performing asset classes for the quarter, each delivering a 1.7% total return, while multifamily posted a 1.1% return.
- Office was the worst-performing asset class, with a 0.7% total return for the quarter. It was the only sector to report negative appreciation during Q1, declining by 0.8%.

Sources: CoStar, NCREIF.
3 A property's capitalization rate, or cap rate, is a measure of its Net Operating Income relative to its market value.
4 Gateway Markets include BOS, CHI, DC, LA, NY, and SF in the NCREIF National Property Index (NPI), and Non-Gateway reflects all other markets in NPI.
5 Unleveraged property returns reflect the performance of the underlying properties, without the impact of property debt. Please see important information regarding the Index on the last page. For reference, the Bailard Real Estate Fund's unleveraged property returns for the same period were: Multifamily, 2.7% (Inc: 4.2%, App: -1.4%); Industrial, 4.5% (Inc: 4.7%, App: -0.2%); Office, 1.8% (Inc: 6.6%, App: -4.6%); and Retail, 11.1% (Inc: 6.8%, App: 4.1%).

Multifamily

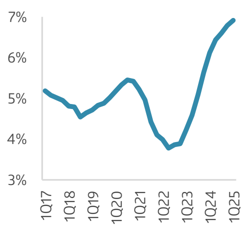
In Q1 2025, 128,000 multifamily units were absorbed, one of the strongest first quarters since 2000, trailing only early 2021's pandemic-driven gains. Demand has been fueled by older Gen Z renters and baby boomers choosing to rent. As demand rebounded, the development cycle has peaked and new supply has begun to taper off. Net deliveries have declined for three consecutive quarters, dropping nearly 30% to 125,000 units. The construction pipeline has contracted 42% from its early 2023 peak to 648,000 units, which should help ease oversupply, particularly in the South and Southwest, where vacancy rates have been elevated. National vacancy has edged down 7 bps to 8.1%. With construction slowing, overbuilt markets may stabilize, setting the stage for a return to rent growth.

VACANCY

As of Q1, 25: **8.1%**

10-Year Avg: **6.6%**

Qtr/Qtr Change:
0 bps

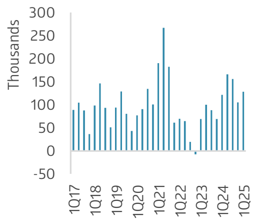


ABSORPTION

As of Q1, 25: **128,000 units**

10-Year Avg: **95,000 units**

Qtr/Qtr Change:
+23,000 units

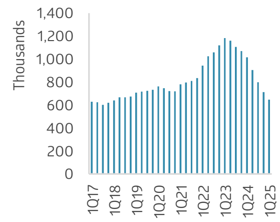


CONSTRUCTION

As of Q1, 25: **648,000 units**

10-Year Avg: **772,000 units**

Qtr/Qtr Change:
-64,000 units

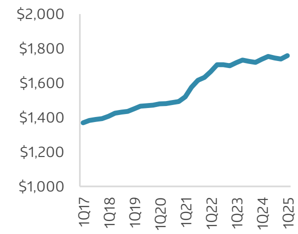


RENT

As of Q1, 25: **$1,758/month**

10-Year Avg: **$1,527/month**

Qtr/Qtr Change:
+1.1%



Industrial

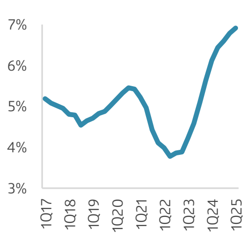
In Q1 2025, the U.S. industrial market showed early signs of stabilization. Net absorption totaled 34 million square feet (SF), slightly below the 2024 quarterly average of 37 to 40 million square feet. The vacancy rate rose to 6.9%, while construction starts hit a 10-year low. Net completions expected to slow to approximately 50 million SF by late 2025 and under 40 million in 2026, which may help rebalance supply if demand picks up. Rent growth cooled to 0.3%, year-over-year—its lowest since 2012—but leasing activity increased, especially in the Midwest, South, and California's Inland Empire. The availability rate (both vacant spaces and those currently occupied but soon to be available), rose to 9.4% despite stronger demand. While these appear to be positive indicators and the first steps in bringing supply/demand fundamentals into balance, uncertainty surrounding trade policy may weigh on future industrial performance.

VACANCY

As of Q1, 25: **6.9%**

10-Year Avg: **5.2%**

Qtr/Qtr Change:
0 bps

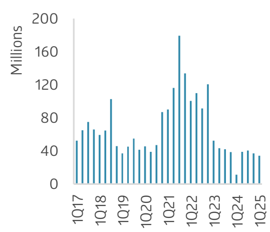


ABSORPTION

As of Q1, 25: **34 million SF**

10-Year Avg: **68 million SF**

Qtr/Qtr Change:
-3 million SF

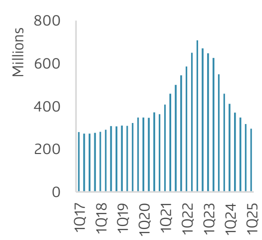


CONSTRUCTION

As of Q1, 25: **259 million SF**

10-Year Avg: **375 million SF**

Qtr/Qtr Change:
-23 million SF

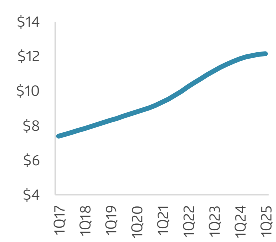


RENT

As of Q1, 25: **$12/SF (NNN)**

10-Year Avg: **$9/SF (NNN)**

Qtr/Qtr Change:
+0.2%



Source: CoStar Group. Please note that any published revisions to previous quarters' data have been included.

Office

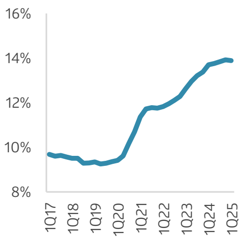
In Q1 2025, the U.S. office market showed early signs of recovery with positive net absorption. Vacancy remained elevated at 13.9%, and the construction pipeline shrank to 64 million SF—its lowest since 2012. Together, this offers potential stabilization if demand continues to improve. Leasing activity returned to pre-pandemic averages at 115 million SF, though average deal sizes remained 15% to 20% smaller than pre-2020. Asking rents held flat at $36.00 per square foot, about $1 higher than Q1 2020, with rent growth expected to remain near 1% per year due to aggressive concessions and elevated sublease inventory. While reduced new supply and rising office attendance support a recovery, elevated sublease inventory and economic headwinds may keep vacancies elevated. A stable office market with a healthy balance between supply and demand likely remains several years off in the future.

VACANCY

As of Q1, 25: **13.9%**

10-Year Avg: **11.0%**

Qtr/Qtr Change:
0 bps

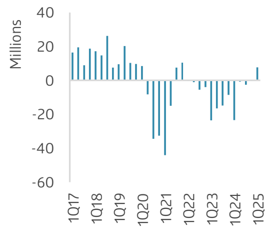


ABSORPTION

As of Q1, 25: **8 million SF**

10-Year Avg: **3 million SF**

Qtr/Qtr Change:
+8 million SF

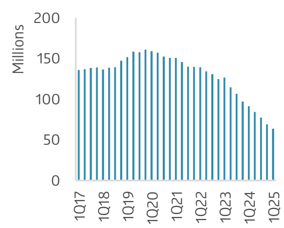


CONSTRUCTION

As of Q1, 25: **64 million SF**

10-Year Avg: **130 million SF**

Qtr/Qtr Change:
-6 million SF

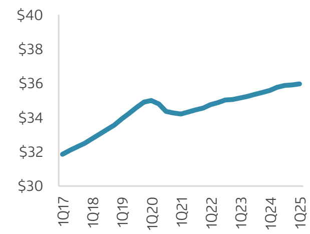


RENT

As of Q1, 25: **$36/SF (Gross)**

10-Year Avg: **$34/SF (Gross)**

Qtr/Qtr Change:
+0.2%



Retail

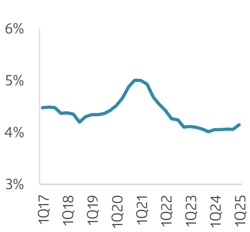
For the quarter, retail net absorption turned negative, with a 3 million SF decline, following after four years of positive demand growth. Still, the vacancy rate remained low at 4.1%, showing resilience amid store closures and bankruptcies. Limited new construction (81 million SF annually since 2020, compared to 300 million/year from 2000-2009) has kept availability rates low. Rents rose 1.7% year-over-year to a record $25/SF, led by the Sun Belt markets. Slower consumer spending and tariff-driven cost pressures are starting to weight on tenant demand. Until the tariffs are rationalized and a modicum of certainty returns to the market, confusion and added costs could reduce demand for retail space, increasing vacancy rates and putting downward pressure on rents.

VACANCY

As of Q1, 25: **4.1%**

10-Year Avg: **4.5%**

Qtr/Qtr Change:
0 bps

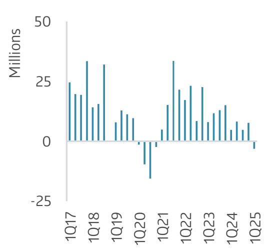


ABSORPTION

As of Q1, 25: **-3 million SF**

10-Year Avg: **16 million SF**

Qtr/Qtr Change:
-11 million SF

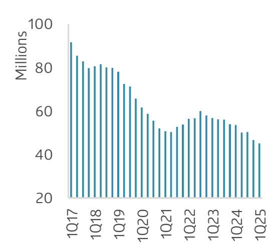


CONSTRUCTION

As of Q1, 25: **45 million SF**

10-Year Avg: **68 million SF**

Qtr/Qtr Change:
-1 million SF

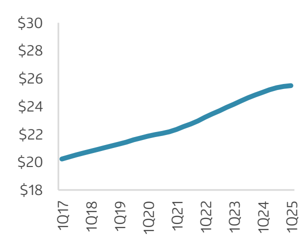


RENT

As of Q1, 25: **$25/SF (NNN)**

10-Year Avg: **$22/SF (NNN)**

Qtr/Qtr Change:
0.2%



Sources: CBRE, CoStar Group. Please note that any published revisions to previous quarters' data have been included.

THE LOOK AHEAD

The second quarter of 2025 started with a bang. April 2, which is usually just the day after "April Fools' Day", was deemed by President Trump as "Liberation Day". Mr. Trump was intending to signal that the U.S. would, as a result of his new tariff policies, be liberating itself from an unfair global trading system that has hindered, handicapped, and hurt America for decades. In spite of ample evidence to the contrary, Trump believes that the U.S. has been damaged and disadvantaged by both allies and foes bent on taking advantage of the United States. Turns out most Americans don't agree with Mr. Trump's premise and/or that the U.S. has been crushed by ruthless and unscrupulous foreign governments… many of which are our friends. Instead, it appears that "Liberation Day" is wantonly untethering U.S. businesses, investors, and consumers from stability, reliability, and coherence.

David Ricardo was a late 18th-century British political economist and politician and is recognized as one of the most influential classical economists, alongside figures such as Thomas Malthus and Adam Smith. Ricardo is renowned for his contributions to economic thought and developing the theory of comparative advantage suggesting that nations should concentrate resources in industries where they have the greatest efficiency of production relative to their own alternative uses of resources. This principle has been the cornerstone of economic theories supporting and promoting the benefits of free trade for over 200 years.

Robert Armstrong, in an April 5th article for the Financial Times entitled, *For Markets, It's The Unpredictability That's Going to Kill You* paints an unflattering and unsettling picture: "The U.S. Stock Market hates Trump's tariff proposals. At one level this is easy to explain: everyone agrees that tariffs will increase costs for U.S. companies and drag their earnings down… not a good thing for stock valuations. Depending on your personal theory of how tariffs work, you might think that lower earnings and stock prices today are an acceptable price to pay for higher domestic production and wages tomorrow.

"But markets have a bigger problem than the prospect of short-term falling profits. Investors and companies can adjust to most things when they know the rules. With Trump, the rules are always changing. When new policies are introduced, markets have to price in both the impact and the duration of those policy effects. But the market has a third, even harder valuation puzzle to solve because Trump's tariff policy will always be a moving target. Anyone with firmly held false beliefs will have regular, unpleasant run-ins with reality. They change course only to drive right back into the same ditch."[6]

The fear is that President Trump won't get what he wants from his tariff impositions, so he'll keep changing them and leave markets scrambling to catch-up. Mr. Trump's tariff stratagems are just one example of the unpriceable chaos that markets are trying to navigate.

The Wall Street Journal published an outstanding editorial entitled, *Trump's New Protectionist Age*, on April 3, the day after "Liberation Day". The editorial laid out in very stark terms the challenges posed by President Trump's efforts to remake the global trading system. Following is a summary of the editorial's salient points: "President Trump unveiled his new "Liberation Day" tariffs on April 2 and they are another large step toward a new old era of trade protectionism… the effort amounts to an attempt to remake the U.S. economy and the world trading order. All the details aren't yet clear, but Trump's tariffs look 'reciprocal' in name only… Let's consider some of the consequences already emerging in this new protectionist age:

1) ***New economic risks and uncertainty.*** The overall economic impact of Trump's tariff barrage is unknowable – not least because we don't know how countries will react. If they negotiate with Trump's team to lower tariffs, the impact could be muted. But if the response is widespread retaliation, the result would be shrinking world trade, slower growth, recession, or worse. There will certainly be higher costs for American consumers and businesses. And over time it will lead to a gradual erosion of U.S. competitiveness.
2) ***Harm to American exports.*** A long-term U.S. trade goal has always been to expand markets for American goods and services. Administrations

6 Armstrong, R. (4 April 2025). Financial Times. https://www.ft.com/content/814ff13f-3e9c-40ba-a923-5c1b6fe95d5c.
7 The Editorial Board. (3 April 2025). The Wall Street Journal. https://www.wsj.com/opinion/donald-trump-liberation-day-tariffs-protectionism-82d0aa3a.

of both parties pursued that objective with various bilateral and multilateral trade deals over decades. Trump's unilateral tariffs blow up those arrangements and invite retaliation. U.S. exports will suffer directly from retaliatory tariffs and indirectly as other countries strike trade deals that exclude American products.

3) ***A bigger Washington swamp.*** Tariffs impose costs that businesses will want to avoid. Trump is saying that there will be no exemptions. But watch that promise vanish as politicians, including Trump, see exemptions as a way to leverage campaign contributions.
4) ***The end of U.S. economic leadership.*** The U.S. took up the leadership mantle at the end of World War II and the decision to encourage free trade produced seven decades of rising prosperity at home and abroad. That era is now ending as Mr. Trump adopts a more mercantilist vision of trade and U.S. self-interest. The result is likely to be every nation for itself, as countries seek to carve up global markets based not on market efficiency but for political advantage. The cost in lost American influence will be nearly incalculable. Trump thinks that the lure of the U.S. market and American military power are enough to bend countries to his will. But soft power also matters, and that includes being able to trust America's word as a reliable ally and trading partner. Trump is shattering that trust as he punishes allies and blows up various trade arrangements.
5) ***A major opportunity for China.*** The great irony of Mr. Trump's tariffs is that he justifies them in part as a diplomatic tool against China. Trump's new tariff onslaught is actually giving China an opening to use its large market to court American allies.

In October 2006 Simon and Schuster released a book written by Stephen Covey entitled *The Speed of Trust, The One Thing That Changes Everything*.[8] In it, Covey argues that there is one thing that is common to every individual, relationship, team, family, organization, nation, economy, and civilization throughout the world—one thing which, if removed, will destroy the most powerful government, the most successful business, the most thriving economy, the most influential leadership, the greatest friendship. That one thing is Trust.

Contrary to what most people believe, trust is not some soft, elusive quality that you either have or you don't. Rather, trust is a pragmatic, tangible, actionable asset. It can be created with care and diligence and nurturing. It can also be destroyed through negligence, apathy, or willful misconduct.

Trust always affects two outcomes—speed and cost. When trust goes down, speed will also go down and costs will go up. When trust goes up, speed will also go up and costs will go down. Trust is the lubricant for a smooth-running capitalist engine.

Trust is like Goodwill. And it has always been a gigantic asset on America's balance sheet. It is essentially the United States' "brand equity".

President Trump's on again-off again tariffs have upended decades-old conventional wisdom on the importance of free-trade for America and its allies from both an economic and geo-political perspective.

Through a flurry of measures—many using legally dubious emergency powers—Mr. Trump has applied new, substantial tariffs to imports from every country on the globe. And he has done so on a scale that is unprecedented in U.S. history.

And the rollout of the tariffs, both leading up to Liberation Day and subsequent to it, has been anything but smooth. There have been stops and starts along the way, e.g., the on-again, off-again rollout of the tariffs imposed on Canada and Mexico, followed by an exemption for goods that comply with rules of origin under the U.S.-Mexico-Canada Agreement (USMCA).

Likewise, President Trump unveiled baseline tariffs of 10% on all countries, coupled with higher, individualized "reciprocal" tariffs on goods from 60 countries to be implemented a month later. But after the announcement of these tariffs (followed by a negative market reaction), he paused the imposition of the individualized tariffs for 90 days. As of this writing, approximately 30 days after so-called "Liberation Day", businesses, consumers, and investors still don't know what the rules are and/or where they might end up. The reactive,

8 Covey, S. (17 Oct 2006). The Speed of Trust: The One Thing That Changes Everything. Simon & Schuster.

adaptive nature of President Trump's approach has kept companies off balance and triggered widespread uncertainty. This uncertainty has led companies to suspend certain investments and transactions.

In an April 5th article entitled *Trump's Destruction of Global Alliances*, the Financial Times captures the tectonic shifts underway: "Donald Trump prides himself on his unpredictability and transactional approach to life. These are tactics that might work well in the real estate business or a debt restructuring. But when it comes to international politics, Trump's transactionalism is likely to prove very costly for the U.S. itself and for global stability. One of the great advantages that the U.S. has over China and Russia is that it has a global network of alliances created over a very long time. And those allies have stuck with America because they believed that those commitments were based on a firm bedrock of shared interests and values. The tariff war launched by Trump, combined with the often-hostile language of Administration representatives, has shaken that trust to the core. Mark Carney, the new prime minister of Canada says that "the U.S. is no longer a reliable partner"."[9]

Many countries hit by Trump's tariffs are expected to scramble to do a deal with Trump to mitigate the damage to their economies. It is also likely that they will make long term adjustments to their policies with the aim of reducing their vulnerability to American bullying. This, over time, will have consequences for America's wealth and power.

The article goes on to offer this sobering assessment: "The likes of Japan, South Korea, and Australia have been prepared to work with the U.S. to contain and manage Chinese power because they believed, in the last resort, that the U.S. would fight to defend them. But Trump's transactional, unpredictable, and increasingly hostile actions are destroying that trust. America's alliance system will now come under huge strain, to the benefit of China. Trump has, in a matter of days, undone trusted global relationships that have taken decades to build. The task of reviving such trust, even after Trump is no longer in office, will be gargantuan, if it is even possible at all."[9]

On March 8, approximately three weeks before "Liberation Day", the Financial Times published an article entitled, *Trump's Rapid Tariff Changes Unnerve Businesses and Trigger Equity Selloff* — To investors, executives, foreign officials, and U.S. trade experts around the country, the chaos surrounding trade policy is disturbing. "The tariffs are off, they're on, they're off, they're 25%, they're 10%… this is not a clear policy vision guiding things," said Bill Reinsch, former U.S. trade official at the Center for Strategic and International Studies. "He does something and the market tanks… and then a whole bunch of people like auto executives come in and tell him in a polite way that 'this is really stupid', and then they go back and change something."[10]

Edward Alden, a senior fellow at the Council on Foreign Relations said that negative market reaction might be the only constraint on U.S. trade policy. "If we see a prolonged market downturn and the President hears from all his rich friends about how he's messing up their portfolios and destroying their businesses, then maybe at that point he will think again."

Businesses have reacted with dismay at the erratic policymaking. Traci Trapani, co-President of Wyoming Machine, a metal fabrication company in Minnesota put it this way: "There's a lot of uncertainty in business that we can't control, but when leaders are doing things that are intentionally leading to chaos, it makes it really hard to run a company."

One of the oldest truisms in investing is certainly apt at this crazy time: Markets (and businesses and Wall Street investors and consumers) hate uncertainty!

Two recent articles in *The Wall Street Journal* on March 19 (*Trade War, Politics Bedevil Fed Chair and Wait-and-See Path by Fed Obscures a Wider Strategy*[11]) capture the Federal Reserve's current dilemma:

> Not long ago it looked like Fed Chair Jerome Powell's final test would be to stick a soft-landing. Now, with about one-year left in his term, he faces a serious complication: navigating a trade war that threatens to push prices up while weakening the economy.
>
> In its most recent projections, the Federal Reserve Bank is signaling one or two rate cuts for 2025 – no change from its stance over the past several months. But that doesn't mean that things haven't

9 Editorial Board. (5 Apr 2025). The Financial Times. https://www.ft.com/content/451f1f3d-2f09-4714-a43a-608718799455.
10 Editorial Board. (8 Mar 2025). The Financial Times. https://www.ft.com/content/fbc5c28b-e5a2-41c1-9c3e-84f0104ace32.

changed. In fact, the Fed's wait-and-see holding pattern has undergone an important reset because of the threat of an expanded trade war which will most certainly be inflationary.

The Fed can cut because of good news – because inflation has subsided. And that was the case last year. Or the Fed can cut because of bad news – because the economy is weakening. The case for the first type of cuts has dimmed because of the Trump Administration's sweeping tariff regime.

What does this all mean for real estate? The simple answer is that the landscape is "fluid", and nobody knows where this is all going to end up. However, following are some reasonable "guesstimates" of what might be on the horizon:

For the immediate term, President Trump's tariff measures will likely cause businesses and investors to press pause and proceed with caution. Looking further ahead, impacts to the U.S. economy will depend on how long tariffs are in place, the extent to which retaliatory tariffs are imposed by other countries, and what exemptions the Trump Administration will ultimately grant.

What is still unclear is what President Trump's endgame for the tariffs might be. The stated purpose is a grab bag of contradictory policy goals: Increased revenues to offset tax cuts, a fairer global trading regime, and a return of manufacturing to the U.S.

For the near term, it is likely that many companies will put their capital expenditure plans on hold which may mean a delay of leasing decisions until there is more clarity on the extent and duration of global tariffs. As a result, occupiers may favor lease renewals in place rather than relocations.

- ***Office:*** Return-to-office mandates for many companies continue to be a focus. This has provided a modest boost to office leasing activity in recent quarters. However, economic uncertainty driven by tariffs and a handcuffed Fed will cause some occupiers to reassess their plans.
- ***Multifamily:*** The multifamily sector is in the process of recovering from a spate of overbuilding that left many markets with too many units and not enough demand to fill them… pushing up vacancies and putting downward pressure on rents. A dramatic fall-off in construction in recent quarters is helping this sector on the path to a healthier supply/demand balance. If the economy weakens, that will slow down household formations which will be a hit to renter demand. On the other hand, as long as the cloud of uncertainty hangs over the U.S. and global economies, that is likely to put a damper on new development and further allow the market to heal. In spite of current soft conditions, the U.S. continues to suffer a gargantuan housing shortage which, over time, will be a tailwind for multifamily.
- ***Industrial:*** Large third-party logistics (3PL) operators will likely drive leasing demand as more retailers and wholesalers outsource distribution to them amid heightened macro-economic uncertainty. President Trump's overarching goal for his tariff policies is to "re-shore" manufacturing to the U.S. If he is even modestly successful doing so, that would be positive for industrial user demand.
- ***Retail:*** Sentiment among retailers has, in the wake of the "Liberation Day" chaos, turned sharply negative. Some retailers have and/or will hit pause. However, the U.S. labor market remains solid, and consumers continue to exhibit remarkable resilience, so it is likely that many retailers will continue to move forward with strategic plans amidst low vacancy and little new supply.

The real estate industry came into 2025 with high hopes; the 2 and ½-year downturn triggered by higher interest rates appeared to have run its course, lenders (banks, insurances companies, debt funds, and CMBS providers) seemed ready to get back into the game, and investors with ample dry powder were eager to get back to making deals. The uncertainty inflicted on the economic landscape since Trump's inauguration has dampened industry participant's enthusiasm. Until there is more clarity about the direction of the economy, the situation will remain in flux and transaction activity will continue to be muted.

Everyone knows that President Trump has an extremely short attention span. His MO is often to attack something, create chaos, declare victory, and move on.

11 Timiraos, N. (18 Mar 2025). The Wall Street Journal. https://www.wsj.com/economy/central-banking/jerome-powell-federal-reserve-trump-administration-723069d1.

The hope is that he will do the same with tariffs and trade and that in relatively short order Mr. Trump will lose interest in the disarray that his policies have created and focus his attention elsewhere. This will allow the landscape to settle down and provide some clarity for business and investors to be able to make better informed decisions.

Last quarter we concluded The Look Ahead portion of the Shareholder Report this way:

> "The second Trump presidency ushers in both opportunities and risks for real estate. The Bailard team will remain ever vigilant to spot attractive investment opportunities for the Fund. However, uncertainty reigns, so caution will prevail."

The Bailard Real Estate Fund was formed in April 1990 and just celebrated its 35th anniversary. So, as the Fund begins its 36th year, the old saying, "The more things change, the more they stay the same" seems as appropriate as ever.

Fund Performance

The Fund's Net Asset Value (NAV) at March 31, 2025 was $30.83 per share, following a $0.10 per share quarterly dividend. The Fund's quarterly NCREIF-based return was 1.0% (gross) and 0.8% (net of management fee). For the year ended March 31, 2025, the Fund earned a 2.0% gross return and 1.2% net return.[1]

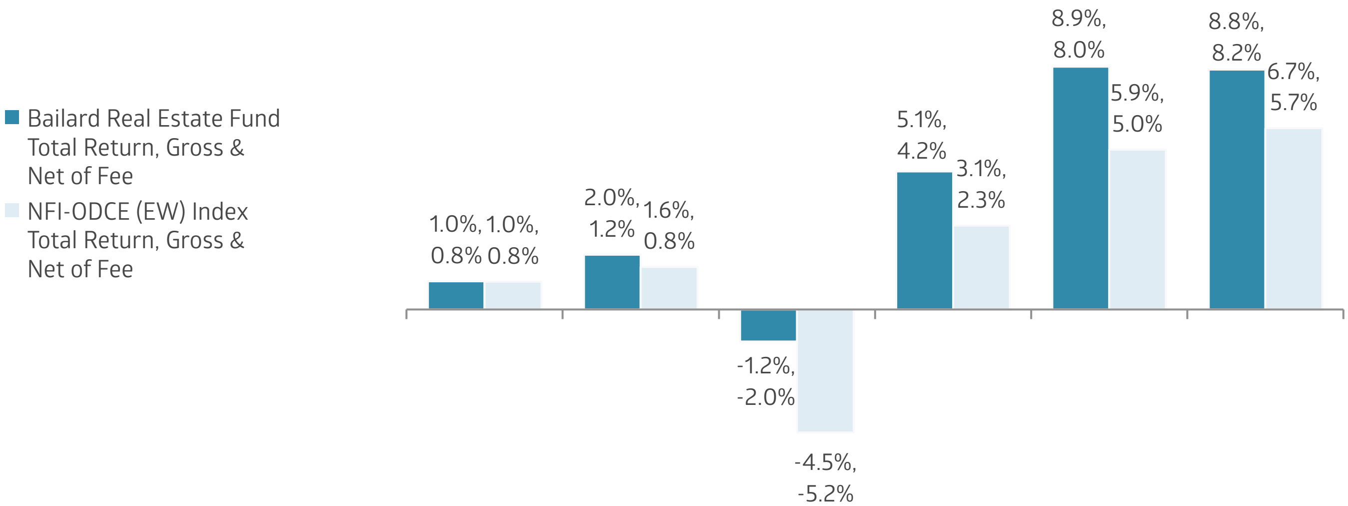
During the first quarter, 13 of the Fund's 31 properties experienced gains in value of between 0.3% and 9.0%, 11 suffered declines of 0.2% to 5.7%, and seven remained unchanged.

The largest percentage write-up for the quarter was Waterville Industrial in Otay Mesa, just south of San Diego, CA, which increased in value—by 9.0% to $18.3 million ($180/SF)—driven by reduced anticipated capital expenditures to reposition the building once its sole occupant, Honeywell, moves out. Town & Country in Orange, CA increased in value by 7.3% to $14.8 million ($164/SF) due to the pending sale of the property to an owner-user that is willing to pay a premium over the value determined by traditional investment metrics. Easton Commons in Columbus, OH increased in value by 4.7% to $6.7 million ($49/SF) after the prospective buyer (an owner-user similar to the Town & Country buyer) waived its due diligence and made a non-refundable deposit.

Fairview Park in Falls Church, VA experienced the largest write-down of the quarter, decreasing in value by 5.7% to $12.2 million ($104/SF). The drop was due to increased operating expenses and planned capital expenditures. M Street in Washington, D.C. contracted by 2.8% to $11.3 million ($1,046/SF) due to added capital into the model and the near-term expiration of in-place leases. Plantation Colony in Plantation, FL declined by 1.9% to $77.0 million ($302k/unit) due to higher operating expenses.

Sources: Bailard, NCREIF.
1 Gross-of-fee and Net-of-fee returns are calculated using NCREIF PREA's time-weighted return methodology quarterly. The Fund's underlying performance results are calculated using National Council of Real Estate Investment Fiduciaries' (NCREIF) methodology and reflect the impact of leverage, interest, and dividend income from short-term cash investments and publicly traded real estate investments, as applicable. Please see additional detail and important information regarding the Fund's performance results and methodology on the last page. Specific investments described herein do not represent all investment decisions made by Bailard. It should not be assumed that investment decisions identified and discussed were or will be profitable. ***Past performance is no indication of future results. All investments have the risk of loss.***

Bailard Real Estate Fund Total Returns[1, 2]
FOR PERIODS ENDING 3/31/2025



	Quarter	1 Year	3 Year	5 Year	10 Year	Since Inception (4/90)
Total Return						
Bailard, Gross of Fee	1.0%	2.0%	-1.2%	5.1%	8.9%	8.8%
ODCE (EW), Gross of Fee	1.0%	1.6%	-4.5%	3.1%	5.9%	6.7%
Bailard, Net of Fee	0.8%	1.2%	-2.0%	4.2%	8.0%	8.2%
ODCE (EW), Net of Fee	0.8%	0.8%	-5.2%	2.3%	5.0%	5.7%
Income Return						
Bailard, Gross of Fee	1.0%	3.6%	3.3%	3.6%	4.0%	5.1%
ODCE (EW), Gross of Fee	1.0%	4.1%	3.7%	3.8%	4.2%	6.3%
Bailard, Net of Fee	0.8%	2.7%	2.5%	2.8%	3.1%	4.6%
ODCE (EW), Net of Fee	0.8%	3.3%	2.9%	3.0%	3.3%	5.3%

Sources: Bailard, NCREIF.
1 Please see last page for important disclosures. Gross-of-fee and Net-of-fee returns are calculated using NCREIF PREA's time-weighted return methodology quarterly. ***Past performance is no indication of future results. All investments have the risk of loss.***

Fund Overview

As of March 31, the Fund's property portfolio was 92% leased, unchanged from Q4 quarter-end and down from 93% as of Q1 2024, one year ago.[1]

At the portfolio's multifamily assets, total Net Operating Income (NOI) decreased by 2.5%, year-over-year (Q1 2025 vs. Q1 2024). Measured on a "same-store" basis, multifamily NOI increased by 5.4%, year-over-year. (The same-store calculation excludes Beck46 and Grand at Saginaw, which were in development during Q1 2024, and Grand at Manor and Gwinnett Apartments, which were sold in Q4 2024.) C&E Flats in St. Paul, MN saw its NOI increase by 40.4% driven by a property tax refund realized from a successful tax appeal. Plantation Colony in Plantation, FL rose by 10.8% year-over-year after a one-time commission was received for executing a new internet service contract. Poplar Glen's NOI increased by 10.0% due to higher rents and a decrease of "bad debt" (i.e., delinquencies).

Year-over-year, total NOI at the Fund's office properties decreased by 27.4%. Same-store office NOI declined by 3.0% year-over-year. The same-store calculation excludes one property: Highland Pointe in Lombard, IL. In Q4 2024, the Fund transferred its ownership interest in the property to its joint venture partner. Fairview Park in Falls Church, VA declined by 161.6% due to the move out of United Healthcare Group. In contrast, Flying Cloud in Eden Prairie, MN increased by 25.1% due to higher occupancy rates and the conclusion of free rent periods for new tenants. Positive NOI changes also occurred at 150 Pierce Road in Itasca, IL and Town & Country in Orange, CA, which rose by 12.9% and 12.8%, respectively. Town & Country's NOI

Fund Summary
AS OF 3/31/2025[2]

Property Portfolio	$1249.4 mil.
Cash and Cash Equivalents[3]	$94.5 mil.
Restricted Cash[4]	$4.3 mil.
Other Assets	$3.9 mil.
Gross Asset Value[5]	$1352.1 mil.
Debt[6]	$331.7 mil.
Dividends Payable	$3.1 mil.
Other Liabilities	$16.4 mil.
Net Asset Value (NAV)	$1000.9 mil.
Noncontrolling Interests in Joint Ventures	$42.8 mil.
Fund's Net Asset Value	$958.1 mil.
Current NAV/Share	$30.83
Dividends Paid/Share (Quarter)[7]	$0.10
Dividends Paid/Share (Trailing Twelve Months)[7]	$0.40
Number of Properties	31
% Core / Operating	100%
% Leased[1]	92%
Multifamily	94%
Office	81%
Industrial	94%
Retail	96%
Other	60%
Weighted Average Remaining Lease Term (SF)	4.9 years
Industrial	4.7 years
Retail	7.2 years
Office	3.5 years
Other (Data Centers)	6.9 years

1 The Fund's leased percentage is based on NCREIF-PREA Reporting Standards life cycle categories, which excludes non-operating assets such as land, development assets, and assets that completed construction, are less than 60% leased, and have not reached one year after construction completion. Lease percentage is calculated as of quarter-end and is weighted by the Fund's legal share of the gross real estate value.
2 Unaudited year-to-date financial statements available upon request.
3 Includes cash held by the Fund and properties. Market value of cash equivalents shown is before quarterly shareholder transactions.
4 Includes cash held by the Fund and properties. Balance includes restrictions and escrows held for property taxes, insurance, capital and leasing expenditures, security deposits, and obligations relating to loan covenants. Market value of cash equivalents shown is before quarterly shareholder transactions.
5 Values for the Fund's properties are gross of total noncontrolling interest in joint ventures of $42.8 mil.
6 Debt is shown at fair market value at quarter-end.
7 Includes distributions that may be characterized as ordinary income, capital gains, or return of capital.
Specific investments described herein do not represent all investment decisions made by Bailard, are for illustrative purposes only, and are not necessarily representative of investments that will be made in the future.

was higher due to a large Common Area Maintenance (CAM) reimbursement to tenants in Q1 2024.

At the portfolio's industrial assets, total year-over-year NOI declined by 2.2%. Same store industrial NOI shrank by 0.8% year-over-year. The same-store calculation excludes South Logistics Center in West Valley City, UT, which was in lease-up in Q1 2024, and South Mountain Industrial in Phoenix, AZ, which was sold in Q4 2024. Meadowville Distribution Center in Chester, VA decreased by 27.1% as the economic grant tax reimbursement from the county was delayed this year and paid in Q2 2025.

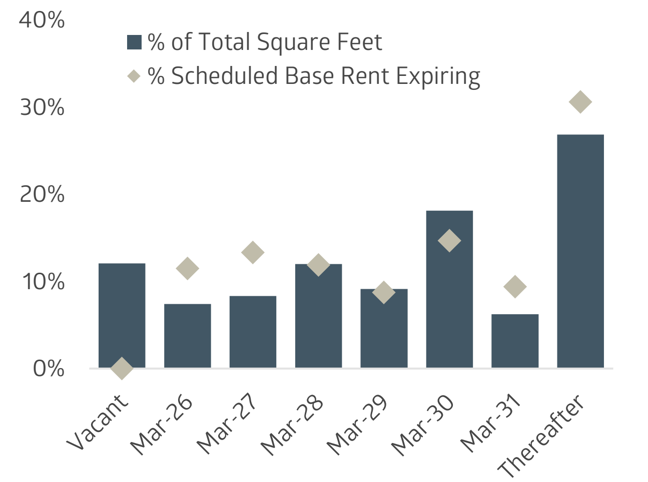
Market Street Industrial in Houston, TX contracted by 12.5% due to additional income recognized a year ago from unused tenant improvement allowance. Partially offsetting these decreases were Westport Industrial Portfolio in St. Louis, MO, and Georgia Trade Center in Savannah, GA, which saw their Net Operating Incomes increase by 18.7% and 9.4%, respectively.

The portfolio's retail properties' NOI increased by 21.7% year-over-year on both a total and same store basis. Shoppes at Knightdale in Knightdale, NC expanded by 51.9% after Academy Sports, Home Goods, and Burlington began paying rent and expense recoveries. M Street in Washington, DC rose by 7.9%. In contrast, Lowa46 Retail in Minneapolis, MN declined by 5.9%.

The portfolio contains two properties classified as "Other": Perimeter East Data Center in Dunwoody, GA and Junction Drive (data center) in Annapolis Junction, MD. Perimeter East is currently vacant. Junction Drive is 100% leased and experienced a year-over-year NOI increase of 4.7%.

Upcoming Lease Expirations

EXCLUDING MULTIFAMILY



Top 10 Tenants

AS OF 3/31/2025[8]

Tenant	Property Name	% of Portfolio Revenue
CDK Global	District 237	3.3%
Engineered Floors & Pentz Str	Fullerton	3.3%
Lowe's Home Centers	Georgia Trade Center	3.0%
Stop & Shop	Mansfield Stop & Shop; Norwell Stop & Shop	3.0%
CCBCC Operations	Meadowville Distribution Center	2.5%
SFC Global Supply Chain	Fullerton	2.2%
Jewel Food Stores	150 Pierce Road	2.2%
Lone Star Integrated Distribution	Market Street Industrial	1.9%
Northrop Grumman	Junction Drive	1.7%
System Beauty Logistics	South Logistics Center	1.6%
Total Top 10 Tenants		**24.7%**

8 Top 10 tenants measured by annual base rent relative to total portfolio gross revenue.
Specific investments described herein do not represent all investment decisions made by Bailard, are for illustrative purposes only, and are not necessarily representative of investments that will be made in the future.

LEVERAGE

As of March 31, the Fund had leverage totaling $334.1 million at par ($331.7 million at fair value), amounting to an aggregate Debt-to-Gross Asset Value ratio of 23.9%, down from 26.3% at the end of the previous quarter and significantly lower than where it stood at the end of the first quarter of 2024: 29.1%.[9] Individual property Loan-to-Value (LTV) ratios ranged from 40% to 60%, with the average LTV on encumbered properties at 49%, down from 52% at the end of the first quarter one year ago. The Fund's in-place weighted average interest rate was 5.2% at the end of the quarter, down from 5.4% at Q4 quarter-end and down from 5.4% one year ago. The quarter's impact of marking-debt-to-market was -0.2%.

Subsequent to quarter-end, the Fund paid off the loan balance on Poplar Glen in Columbia, MD at maturity on April 10, 2025. The loan carried a fixed interest rate of 3.00%. Going forward, the Fund plans to hold the property unencumbered in anticipation of a possible sale.

Also subsequent to quarter-end, the Fund agreed to a one-year extension of the loan on 150 Pierce Road in Itasca, IL. The new maturity date will be April 30, 2026, and the loan will retain its floating interest rate of 1-Month SOFR + 2.11% and 25-year amortization schedule.

The loan on Beck46 in Minneapolis, MN matures in May 2025, representing the sole remaining maturity of the year. The interest-only loan has a floating interest rate of SOFR + 2.4%. The Fund is negotiating with the current lender to extend the loan maturity date to November, 2026. The new balance is expected to be $19.48 million at the same interest rate with interest-only payments. The terms of the extension are not finalized but the Fund doesn't expect there to be a prepayment penalty so the loan could be paid-off earlier. As NOI increases with the "burn off" of lease-up rent concessions, the Fund plans to place fixed rate debt on the asset.

Leverage Statistics

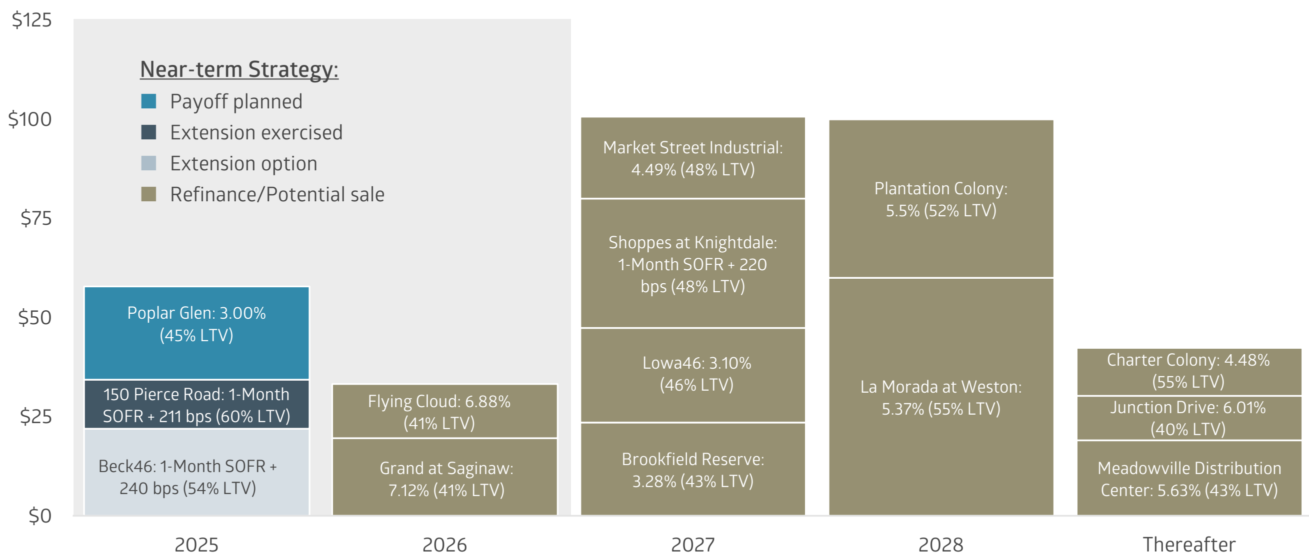
AS OF 3/31/2025[9]

Debt Outstanding (Fund's Economic Share)	$306.6 mil.
Debt to Gross Asset Value	23.9%
% Fixed Rate Debt	82.0%
Property Portfolio Debt Service Coverage Ratio	3.1x
Weighted Avg. Interest Rate	5.2%
Fixed Rate: Weighted Avg. Remaining Term	2.9 years
Floating Rate: Weighted Avg. Remaining Term	1.0 years
# of Unencumbered Properties	17

9 Per the NCREIF PREA Reporting Standards, leverage percentage is calculated as follows: the Fund's economic share of outstanding debt at par divided by the Fund's total gross assets (the Fund's economic share of gross real estate, cash and cash equivalents, and other assets).

Debt Maturity Schedule[9] AT PAR, AS OF 3/31/2025

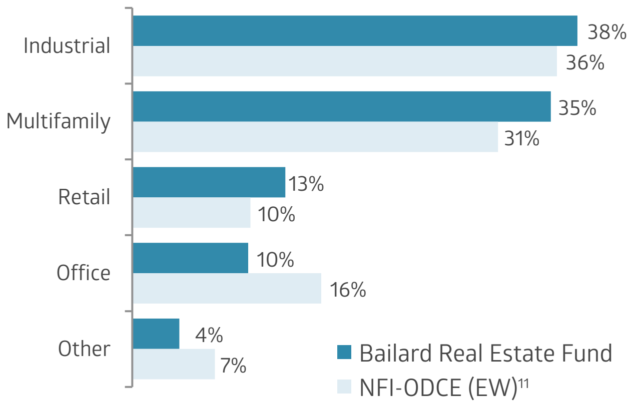
Property Name	Full Market Value (millions) Debt Balance	Economic Share (millions) Debt Balance	Maturity Date
Poplar Glen	$23.5	$23.5	Apr-2025
150 Pierce Road	$12.4	$9.9	Apr-2025
Beck46	$22.0	$16.9	May-2025
Flying Cloud	$13.6	$13.0	May-2026
Grand at Saginaw	$19.6	$12.8	Sep-2026
Brookfield Reserve	$23.5	$18.3	Jan-2027
Lowa46	$23.9	$21.5	Jan-2027
Shoppes at Knightdale	$32.7	$27.8	Feb-2027
Market Street Industrial	$20.7	$20.7	Oct-2027
La Morada at Weston	$60.0	$60.0	Jun-2028
Plantation Colony	$40.0	$40.0	Sep-2028
Meadowville Distribution Center	$19.0	$19.0	Mar-2030
Junction Drive	$11.3	$11.3	Aug-2030
Charter Colony	$12.1	$12.1	Jun-2032
Total	$334.1	$306.6	



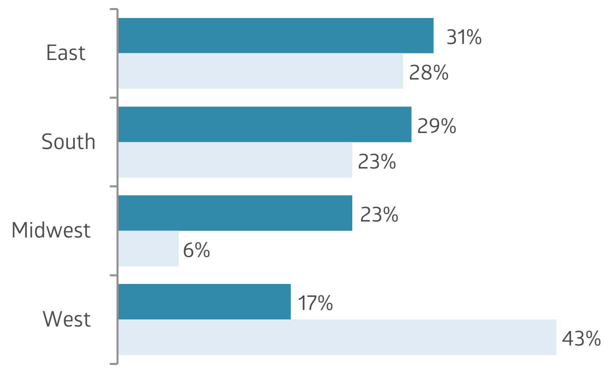
9 Per the NCREIF PREA Reporting Standards, leverage percentage is calculated as follows: the Fund's economic share of outstanding debt at par divided by the Fund's total gross assets (the Fund's economic share of gross real estate, cash and cash equivalents, and other assets).
Chart reflects shaded areas for each encumbered property's debt at par scheduled to mature in that year, in millions, along with its interest rate and loan-to-value ratio; further detail on individual assets is available in the Property Key Statistics & Status section. There is no guarantee that planned strategies regarding debt maturities can or will be achieved.

PORTFOLIO DIVERSIFICATION[10] (as of 3/31/2025)

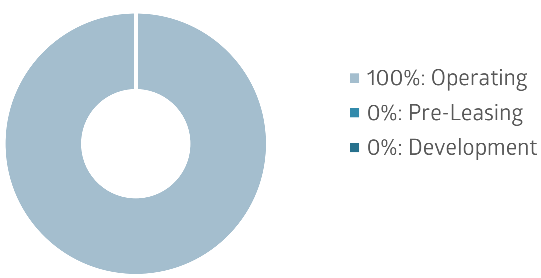
Property Type



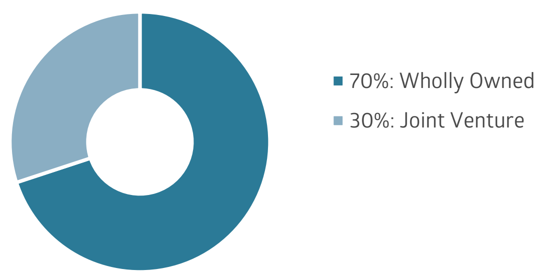
Geography



Property Life Cycle[12]



Investment Structure



Sources: NCREIF, Bailard.
10 Diversification metrics calculated based on the current quarter's appraised value and the Fund's economic share in the gross real estate.
11 The NCREIF Fund Index - Open End Diversified Core Equity is a fund-level index of open-end commingled funds pursuing a core private real estate investment strategy and qualifying for inclusion in the NFI-ODCE based upon certain pre-defined index policy inclusion characteristics. The NFI-ODCE (EW) shows what the results would be if all funds were treated equally, regardless of size.
12 Based on NCREIF-PREA Reporting Standards life cycle categories.

Transaction Activity

DISPOSITIONS SUBSEQUENT TO QUARTER-END[1]

Easton Commons, Columbus, OH: On April 17, the Fund closed on the sale of Easton Commons at a gross price of $7.75 million. Cash proceeds to the Fund (net of closing costs and brokerage fees) totaled $6.9 million. The Fund purchased the property in December 2017, and the investment yielded a net IRR to the Fund of -22.9% and an equity multiple of 0.6x over the 7.3-year holding period.

Town & Country, Orange, CA: On April 22, the Fund closed on the sale of Town & Country at a gross price of $15.45 million. Cash proceeds to the Fund (net of closing costs and brokerage fees) totaled $14.8 million. The Fund purchased the property in January 2016, and the investment yielded a net IRR to the Fund of -4.4% and an equity multiple of 0.9x over the 9.2-year holding period.

*1 **Past performance is no indication of future results. All investments have the risk of loss.** There is no guarantee any investment strategy will be successful. Specific investments described herein do not represent all investment decisions made by Bailard. It should not be assumed 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.*

Fund Management

With deep respect, we share that our colleague, Jeffrey Abell, who joined the Bailard real estate team in 2023 as Senior Client Operations Associate, passed away in late February. Jeffrey made meaningful contributions during his time with Bailard, and his responsibilities have been thoughtfully transitioned under an established plan. We will share further updates in future communications.

Separately, effective March 31, Erin Randolph stepped down from her role as Secretary of the Fund to dedicate her full focus to shaping and executing the firm's marketing and communications strategy. Dipika Shull, CPA, Chief Accounting Officer, has assumed the Seretary role in addition to her responsibilities as Fund Treasurer.

Commitment to SRII

The Fund remains dedicated to the broad integration of Sustainable, Responsible & Impacting Investing (SRII) practices into its acquisition, asset management, and portfolio management activities through the implementation of portfolio-wide policies and processes. SRII considerations are embedded as a vital component of the Fund's strategies and actions. This approach not only supports return enhancement and risk management, but also aims to "future-proof" the Fund.

The Bailard team applies best practices both at the Fund and individual property level. With a focus on tenant safety and community building, the Fund actively monitors energy and water usage to promote responsible resource utilization and management.

Property Spotlight: 150 Pierce

Located in Itasca, IL, Flying Cloud is a 188,228 SF office building that the Fund acquired in May of 2015.

ENVIRONMENTAL – 150 Pierce recently received an Energy Star Certification for 2024 with a rating of 91 out of 100, reflecting the high standards in place for property systems and energy management.

SOCIAL – All third-party vendors for both on site projects as well as ongoing maintenance, security and cleaning are local, responsible contractors.

GOVERNANCE – All properties are valued quarterly by MAI certified appraisers in a thoroughly independent process overseen/managed by Altus. After the property appraisals are completed and vetted by Altus, they are presented to the Bailard Real Estate Fund's independent Board of Directors for final approval.

ENVIRONMENTAL HIGHLIGHTS

- All of the Fund's properties are now being monitored via Measurabl.
- 100% of the multifamily properties and all commercial properties that the Fund controls are now tracked on Energy Star.

2025 GOALS

- Increase reporting to 100% for all landlord-controlled utility accounts into Measurabl.
- Improve upon GRESB score via increased data collection and creation of internal policies.
- Install solar panels at Highland Business Park to offset energy usage with on site renewables.

SOCIAL HIGHLIGHTS

- The Fund continued to focus on communications: providing housing resources for residents, CDC guidelines for commercial tenants, and hosting in-person tenant and community events.
- Responsible Contractor Policy demonstrates Bailard's belief that well-trained, motivated, and fairly-compensated workers deliver higher quality products and services.

2025 GOALS

- Maintain safe working and living environments for tenants, on site staff, and visitors by focusing on health and safety initiatives.
- Continued focus on driving tenant satisfaction through building programs and amenities aimed at sustainable and healthy properties.

GOVERNANCE HIGHLIGHTS

- 100% of properties valued by MAI-certified appraisers on a quarterly basis and reviewed by an independent third-party appraisal management group.
- Created ESG committee to help oversee Fund initiatives related to sustainable goals.

2025 GOALS

- Commitment to continued high standards in Board management and shareholder transparency via the Fund's communication materials.

Property Portfolio Summary (as of 3/31/2025)

Location (MSA)	Investment	SF/Units	% Leased[1]	% Change From Previous Carry Value[2]
Multifamily				
Baltimore	Poplar Glen	191 units	98%	0.0%
Dallas/Ft. Worth	The Grand at Saginaw	235 units	91%	1.1%
Ft. Lauderdale	La Morada at Weston	367 units	89%	-0.5%
Ft. Lauderdale	Plantation Colony	255 units	96%	-1.9%
Milwaukee	Brookfield Reserve	193 units	97%	0.0%
Minneapolis-St. Paul	Beck46	142 units	96%	-1.2%
Minneapolis-St. Paul	C&E Flats - Multifamily	118 units	96%	-1.7%
Minneapolis-St. Paul	C&E Lofts	103 units	97%	-0.6%
Minneapolis-St. Paul	Lowa46 - Multifamily	147 units	95%	0.5%
		1,751 units	**94%**	**-0.5%**
Industrial				
Houston	Market Street Industrial	395,725 SF	100%	2.6%
Orange County	Fullerton Industrial	254,750 SF	100%	-0.6%
Philadelphia	Highland Business Park	569,893 SF	100%	1.1%
Richmond	Meadowville Distribution Ctr	353,044 SF	100%	0.0%
Salt Lake City	South Logistics Center	328,607 SF	53%	0.5%
San Diego	Waterville Industrial	101,435 SF	100%	9.0%
Savannah	Georgia Trade Center	416,450 SF	100%	1.0%
St. Louis	Westport Industrial Portfolio	651,009 SF	95%	-0.2%
		3,070,913 SF	**94%**	**0.8%**
Office				
Baltimore	Nottingham 7941	57,782 SF	100%	0.0%
Chicago	150 Pierce Road	181,228 SF	91%	0.0%
Columbus	Easton Commons	135,485 SF	0%	4.7%
Minneapolis-St. Paul	Flying Cloud	201,495 SF	89%	1.7%
Orange County	Town & Country	90,191 SF	77%	7.3%
San Jose	District 237	76,410 SF	100%	-1.8%
Washington, DC	Fairview Park	117,065 SF	37%	-5.7%
		859,656 SF	**81%**	**0.5%**
Retail				
Boston	Mansfield Stop & Shop	74,383 SF	100%	0.0%
Boston	Norwell Stop & Shop	59,519 SF	100%	0.0%
Minneapolis-St. Paul	C&E Flats - Retail	11,636 SF	76%	0.0%
Minneapolis-St. Paul	Lowa46 - Retail	49,545 SF	93%	0.0%
Raleigh	Shoppes at Knightdale	323,113 SF	100%	1.1%
Richmond	Charter Colony	71,741 SF	100%	1.3%
Washington, DC	M Street	10,806 SF	68%	-2.8%
		600,743 SF	**96%**	**0.4%**
Other				
Atlanta	Perimeter East Data Center	88,000 SF	0%	-1.0%
Baltimore	Junction Drive	96,666 SF	100%	0.7%
		184,666 SF	**60%**	**0.0%**
TOTAL PROPERTY PORTFOLIO: $1,249,350,000			**92%**	**0.2%**

1 The Fund's leased percentage is based on NCREIF-PREA Reporting Standards life cycle categories, which excludes non-operating assets such as land, development assets, and assets that completed construction, are less than 60% leased, and have not reached one year after construction completion. Lease percentage is calculated as of quarter-end and is weighted by the Fund's legal share of the gross real estate value.
2 Carry Values are gross of total noncontrolling interest in joint ventures of $42.8 million. Previous Carry Value is equal to the previous appraised value plus capital spent since that appraisal. Recent acquisitions are carried at cost until first appraisal, which may include closing costs in addition to the purchase price. Specific investments described herein do not represent all investment decisions made by Bailard. It should not be assumed 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.

Multifamily

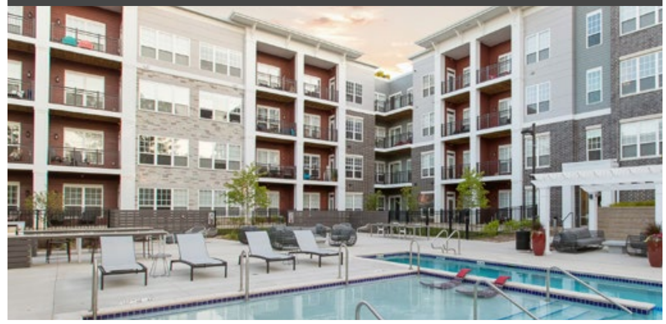
Beck46

4020 Nawadaha Blvd, Minneapolis, MN 55406
Acquired May 2022

Beck46 successfully completed lease-up and ended Q1 at 96% leased and 91% occupied. With the winter season coming to an end, the property has experienced an uptick in foot traffic, positively impacting leasing activity.

The Fund conducted an analysis of the refinancing market and concluded that negotiating an extension with the current lender is the most beneficial course of action. Negotiations for an 18-month, interest-only extension with the existing lender, Wells Fargo, are nearly complete.

Multifamily

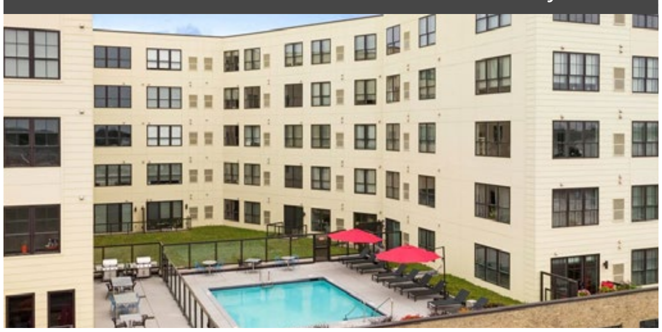


Brookfield Reserve

13701 W. Bluemound Road, Brookfield, WI 53005
Acquired September 2017

Brookfield Reserve concluded the quarter at 97% occupied and an impressive retention rate of 85%. The property management team is proactively engaging with residents in anticipation of the summer lease expirations and the upcoming leasing season.

Multifamily/Retail

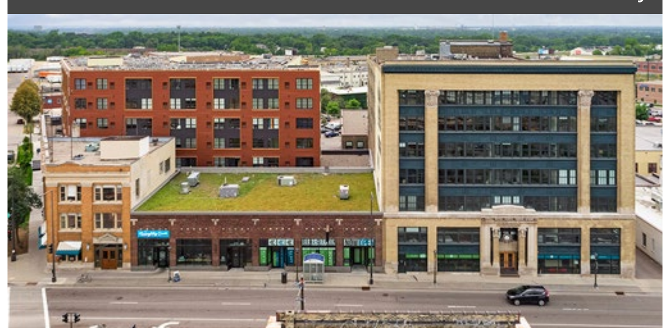


C&E Flats

735 Raymond Avenue, St. Paul, MN 55114
Acquired May 2016

Strong leasing efforts and the seasonal benefit of winter's end pushed C&E Flats' leased rate to 96% by the end of the first quarter. Both the broader market and the property continue to see muted rent growth. However, during the quarter, occupancy at the property increased alongside strong resident retention rates and diminishing use of concessions.

Multifamily



C&E Lofts

2410 University Avenue, St. Paul, MN 55114
Acquired May 2016

C&E Lofts ended the quarter at 97% leased, reflecting successful leasing efforts and the conclusion of the slower, winter season. Occupancy at the property had less of a dip than C&E Flats, but still trended upwards as the quarter came to an end. Like Flats, Lofts also diminished the use of concessions as the quarter progressed.

It should not be assumed that recommendations made in the future will be profitable or will equal the performance described herein; please refer to the Property Portfolio Summary for a full listing of all properties held by the Fund.

Multifamily

The Grand at Saginaw

1451 Belt Mill Parkway, Saginaw, TX 76179
Acquired September 2021

The Grand at Saginaw is a recently built 235-unit garden-style apartment community in Ft. Worth, Texas. The project ended the quarter 91% leased, up from 84% as of last quarter and nearing closer the target stabilized rate of 95%. The Fund is optimistic about the potential to reach stabilization by the end of Q2.

Damages related to the general contractor's failure to deliver the project on time remain outstanding. The Fund continues to actively pursue all legal remedies with its partner, CLX.

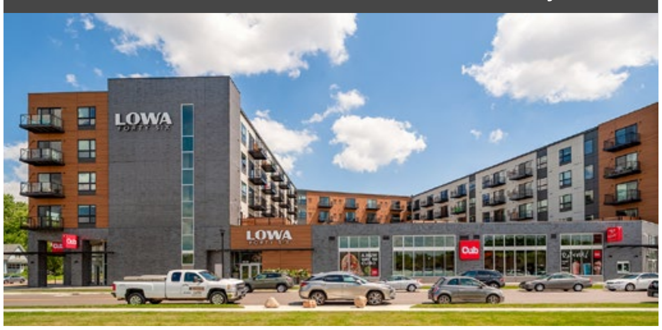
Multifamily

La Morada at Weston

1201 Fairlake Boulevard, Weston, FL 33326
Acquired March 2000

The property ended the quarter 89% leased, with most of the vacant units serving as temporary housing for residents displaced by the ongoing stair and landing replacement project. The Fund collaborated closely with its construction manager and general contractor during the quarter to accelerate the project timeline, with completion now targeted for the end of 2025. Additional capital projects at the property are currently on hold as priority is being given to completing the stair and landing replacements. Resident retention remains exceptionally strong, reflecting outstanding communication with tenants and the dedicated efforts of the on site property management team.

Multifamily/Retail



Lowa46

3939 E 46th Street, Minneapolis, MN 55406
Acquired May 2018

Lowa46 ended the quarter with multifamily occupancy at 95%, largely due to outstanding success in retaining current residents. Residents continue to be satisfied with the tenant experience at the property though rent growth remains flat, consistent with soft demand across the submarket.

Multifamily

Plantation Colony

8210 SW 12th Street, Plantation, FL 33324
Acquired July 2002

The property remained well-leased throughout Q1, however, rental rate growth moderated compared, reflecting broader market conditions in South Florida. Resident satisfaction remains high, supported by excellent on site property management.

Several capital improvement projects are currently underway, including the replacement of aging electrical panels. These projects are on schedule and expected to be completed in Q1. Given the property's vintage, the Fund is actively evaluating the need for additional capital investments.

It should not be assumed that recommendations made in the future will be profitable or will equal the performance described herein; please refer to the Property Portfolio Summary for a full listing of all properties held by the Fund.

Multifamily

Poplar Glen

11608 Little Patuxent Parkway, Columbia, MD 21044
Acquired December 2005

The property continues to enjoy strong occupancy and leads the Fund's multifamily portfolio in rental rate growth. During the quarter, Newmark initiated the marketing program for the property and received significant interest from a number of prospective buyers. Assuming pricing reflects a value that the Fund believes is fair and appropriate, the Fund expects to sign a purchase and sale agreement in the second quarter, with the closing anticipated in the third quarter.

Industrial

Fullerton Industrial

675 S Placentia Avenue, Fullerton, CA 92831
Acquired December 1995

Fullerton is fully occupied with a weighted average lease term (WALT) of nearly seven years, providing stability through two credit-tenant leases. However, the softening leasing market in Southern California is applying downward pressure on market rents, which has led to the value decline at the property. The Fund is confident that leasing fundamentals in the submarket will stabilize, aided by the lack of new supply resulting from land constraints. Additionally, the property's proximity to major ports and population centers in Los Angeles and Orange County enhances its strategic importance in the long-term.

Industrial

Georgia Trade Center

2000 Trade Center Boulevard, Savannah, GA 31326
Acquired November 2021

Georgia Trade Center is 100% leased to Lowe's through November 2033. The Port of Savannah, the fourth-largest in the U.S., continues to drive significant growth in the region's industrial market. The Georgia Ports Authority is making substantial investments to expand the port's capacity and enhance its infrastructure which has led to new supply of bulk distribution and warehouse product. The North Savannah submarket has so far been quick to absorb the new supply and boasts a vacancy rate below 5%.

Industrial

Highland Business Park

300 Highland Drive, Westampton, NJ 08060
Acquired June 1999

Highland Business Park finished Q1 at 100% occupancy, unchanged from the end of the year. The portfolio of industrial buildings currently has a weighted average lease term (WALT) of 4.3 years with no expirations in 2025.

It should not be assumed that recommendations made in the future will be profitable or will equal the performance described herein; please refer to the Property Portfolio Summary for a full listing of all properties held by the Fund.

Industrial

Market Street Industrial

15130-15150 Market Street, Houston, TX 77015
Acquired September 2022

Market Street Industrial remains fully leased to two third-party logistics firms, Lone Star Integrated Distribution and Gulf Stream Marine. The weighted average lease term for the two tenants is just under four years.

During the quarter, the Fund determined that enhancing and expanding the property's rail-serve feature is feasible and could be a viable source for additional revenue. The Fund is currently designing and seeking approval for the necessary improvements.

Industrial

Meadowville Distribution Center

1400 Digital Drive, Chester, VA 23836
Acquired March 2023

Meadowville Distribution is fully leased through January 2028 to CCBCC Operations, LLC, a wholly owned subsidiary of Coca-Cola Bottling; one of the largest Coca-Cola bottlers In United States. The company bottles Coca-Cola for the Southeast, Midwest, and mid-Atlantic portion of the country.

Industrial

South Logistics Center

2215 South 7200 W, West Valley City, UT 84044
Acquired August 2023

South Logistics Center, a 328,607 square-foot industrial building in the Northwest Quadrant of Salt Lake City, remains 53% leased, unchanged from Q4. The Fund continues to market the remaining vacancy, but user demand has seen a significant drop-off. During the quarter, the Fund completed construction of a small amount of new office space within the available warehouse area to enhance its marketability to tenants who need move-in ready space.

Industrial

Waterville Industrial

7828 Waterville Road, San Diego, CA 92154
Acquired December 2022

Waterville Industrial is leased to Honeywell until March 2026, following its decision to exercise an additional six-month extension option. Although Honeywell intends to relocate its operations to Tijuana, delays persist with its new building. Meanwhile, the Fund and its joint venture partner are proceeding under the assumption that Honeywell will eventually vacate, and the building will be repositioned for a new tenant. A revised scope of work for this repositioning has resulted in reduced budgeted costs.

It should not be assumed that recommendations made in the future will be profitable or will equal the performance described herein; please refer to the Property Portfolio Summary for a full listing of all properties held by the Fund.

Industrial

Westport Industrial Portfolio

11418-11446, 11401-11445 Moog Dr.; 10986 N Warson Rd.; 2130-2132 Kratky Rd.; 10602-10610 Trenton Ave; St. Louis, MO
Acquired September 2017

Westport Industrial Portfolio concluded the quarter with a stable occupancy rate of 95%, consistent with the fourth quarter. As GFH Enterprises plans to vacate 33,000 square feet in the second quarter of 2025, the Fund has been actively marketing the available space for lease to minimize downtime after the GFH move-out. This effort has resulted in several letters of intent, which the Fund is currently evaluating.

Office

150 Pierce Road

150 Pierce Road, Itasca, IL 60143
Acquired May 2015

150 Pierce remains 91% leased, consistent with the end of Q4. In the first quarter, Sabanto, occupying 4,071 square feet, exercised its option to renew the lease through the Q4 2028. The Fund is actively negotiating an early renewal with the property's largest tenant, Jewel (69,000 SF).

Additionally, the Fund and the lender are in the final stages of extending the maturing loan by one year through a partial paydown, Tenant Improvement and Leasing Cost Reserve, and a cash-sweep agreement with the lender.

Office

District 237

250 Holger Way, San Jose, CA 95134
Acquired September 2020

District 237 remains fully leased to CDK Global, Inc. until March 2027. CDK does not physically occupy the building, and the property is available for sublease. Although the Bay Area office market activity remains below pre-COVID levels, it is showing signs of improvement, supported by major tech companies' return-to-office mandates and growth in jobs associated with generative Artificial Intelligence (AI). To capitalize on demand from AI-related companies for powered-shell space in traditional R&D facilities, the Fund is pursuing a power upgrade which is currently in the design and planning stage.

Office

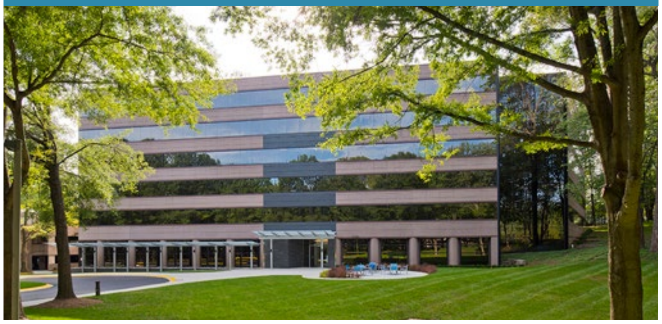
Easton Commons

3344 Morse Crossing, Columbus, OH 43219
Acquired December 2017

Easton Commons remained vacant as of quarter-end, unchanged from Q4. Subsequent to the end of the first quarter, the property's sale to Worthington Steel closed. Worthington plans to renovate the property before relocating its corporate headquarters to the site.

It should not be assumed that recommendations made in the future will be profitable or will equal the performance described herein; please refer to the Property Portfolio Summary for a full listing of all properties held by the Fund.

Office



Fairview Park

3160 Fairview Park Drive, Falls Church, VA 22042
Acquired November 2017

Fairview Park concluded the quarter at 37% leased, maintaining the same level as the previous quarter. Despite the challenges and uncertainties present in the Washington, DC market, the Fund and its JV partner remain proactive in their approach to market the building for lease. Encouragingly, these efforts have been met with a steady stream of interest from potential tenants, indicating positive reception to the property's qualities and characteristics.

Office

Flying Cloud

7500 Flying Cloud Drive, Eden Prairie, MN 55344
Acquired April 2016

Flying Cloud concluded the quarter with an occupancy rate of 89.2%, following the signing of a 5,800 SF lease in February. The Fund is actively negotiating the terms for an additional 6,500 square-foot lease, which is anticipated to be finalized in the second quarter. Construction of tenant improvements is currently underway, and the building automation system is progressing. The replacement of the cooling tower is planned for the fall, aligning with cooler weather conditions.

Leasing efforts will concentrate on the remaining vacant suites located on the first and second floors. Notably, there will be no tenant turnover at the property in 2025.

Office

Nottingham 7941

7941 Corporate Drive, White Marsh, MD 21236
Acquired October 2017

The Property remains 100% leased to Prometric through October 2025. The Fund is actively looking for potential tenants or buyers.

Office

Town & Country

725 Town & Country Road, Orange, CA 92868
Acquired January 2016

Town & Country ended the quarter 77% leased, unchanged from Q4. Subsequent to quarter-end the property sold to an owner-user. The new ownership (an orthopedic surgical center) plans to add structured parking.

It should not be assumed that recommendations made in the future will be profitable or will equal the performance described herein; please refer to the Property Portfolio Summary for a full listing of all properties held by the Fund.

Retail

Charter Colony

200 Charter Colony Parkway, Midlothian, VA 23114
Acquired February 2022

Charter Colony remained fully leased throughout the first quarter, with a five-year lease extension executed in February for Black Swan Hair Salon. The anchor tenant, Publix, has more than 15 years remaining on its lease. Given the asset's stability, the Fund is committed to strengthening tenant relationships and ensuring the property is well-maintained.

Retail

M Street

2901 M Street NW, Washington, D.C. 20007
Acquired July 2018

M Street remained 68% leased through Q1, unchanged from Q4. The Fund is exploring design upgrades to enhance leasing efforts ahead of two tenant lease expirations in August 2025. Wells Fargo's 10-year extension will commence in August 2025, featuring a substantial increase from their current rent.

Retail

Mansfield Stop & Shop

377 Chauncy Street, Mansfield, MA 02048
Acquired October 2020

Mansfield Stop & Shop is a 74,383 square foot neighborhood retail center, fully leased to Stop & Shop until March 2033. Stop & Shop manages all utilities and maintenance, minimizing landlord involvement. The Fund has engaged Newmark to market the property to potential buyers along with Norwell.

Retail

Norwell Stop & Shop

468 Washington Street, Norwell, MA 02061
Acquired August 2022

Norwell Stop & Shop is a standalone neighborhood grocery store encompassing 59,519 square feet, fully leased to Stop & Shop until July 2032. This property is the Fund's second Stop & Shop location in the Boston MSA. The Fund has engaged Newmark to market the property to potential buyers along with Mansfield.

It should not be assumed that recommendations made in the future will be profitable or will equal the performance described herein; please refer to the Property Portfolio Summary for a full listing of all properties held by the Fund.

Retail

Shoppes at Knightdale

216 Hinton Oaks Boulevard, Knightdale, NC 27545
Acquired July 2019

Shoppes at Knightdale was 100% leased as of March 31, but dropped to 93% when Office Max vacated subsequent to quarter end. Lease negotiations are in the final stages for the one vacant small shop space. The Fund is in discussions with multiple potential tenants for the former Office Max box. Ongoing population growth in the Knightdale area is positively impacting foot traffic at the center. This growth is a key factor that contributed to the ability to attract new national tenants to the center last year and has enabled the Fund to increase rental rates for the small shop spaces.

Other (Data Center)

Junction Drive

9020 Junction Drive, Annapolis Junction, MD 20701
Acquired December 2019

The property is 100% leased to Northrop Grumman through January 2032. Northrop continues to heavily utilize its space.

Other (Data Center)

Perimeter East Data Center

40 Perimeter Center East, Dunwoody, GA 30346
Acquired May 2017

Perimeter East remains vacant. The Fund and its joint venture partner have identified a potential buyer interested in acquiring the property. During Q1, the potential buyer conducted extensive due diligence to ensure the property could support the power requirements for its planned operations. Although there were no concerns that Georgia Power could deliver more power to the site, the potential buyer determined that the building may lack sufficient space for the necessary racking equipment to handle the power. The Fund will keep engaging with the potential buyer, though the sale remains uncertain.

It should not be assumed that recommendations made in the future will be profitable or will equal the performance described herein; please refer to the Property Portfolio Summary for a full listing of all properties held by the Fund.

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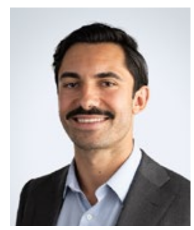

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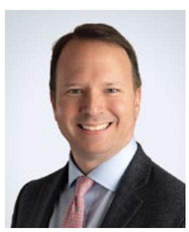

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Evelyn Dilsaver, Independent Director
Geoffrey Dohrmann, CRE, Independent Director
Ronald Kaiser, CRE, Independent Director
Sonya Mughal, CFA, Director
Preston Sargent, Director

RISKS

The Fund invests primarily in real estate. As a result, an investment in the Fund entails significant risks that are customarily associated with the development and ownership of income-producing real estate, including illiquidity, changes in supply and demand, and inexact valuation. The Fund may be leveraged. An investor may lose all or a substantial portion of the investment. There is no assurance that the Fund will achieve its investment objectives. For a more thorough discussion of the risks involved in making an investment in the Fund, please refer to the Offering Memorandum. The Fund's shares fluctuate in value and may be illiquid due to a lack of a right of redemption, the lack of a secondary market, and restrictions on transfer. Shares of the Fund, if offered, would be available for purchase only by accredited investors who could bear a loss and hold shares of the Fund indefinitely. This information does not purport to be complete and is qualified in its entirety by, and an offer or solicitation will only be made through, a final Confidential Offering Memorandum.

DISCLOSURES

This summary is confidential and proprietary. It has been prepared for the use of existing shareholders of the Fund and prospective accredited investors; it does not constitute an offer to sell or buy any securities and may not be used or relied upon in connection with any offer or sale of securities or for any other purpose. The information provided in this report with respect to the Fund is as of March 31, 2025 unless otherwise noted. The Fund undertakes no duty to update any of the information contained in this report. The information in this report includes forward-looking statements, including statements regarding the outlook for the real estate market generally and the individual markets for the properties, the performance of the individual properties, and the Fund's business strategy and investment objectives. These statements involve a number of risks and uncertainties, and actual results may differ materially from these forward-looking statements. Please refer to the Confidential Offering Memorandum of the Fund for further information regarding these risks.

Gross-of-fee and Net-of-fee returns are calculated using NCREIF PREA's time-weighted return methodology quarterly. Starting from June 30, 2023, the Fund calculates the gross-of-fee returns and net-of-fee returns to reflect the inclusion of fund-level expenses such as the operating management fee the Fund pays to Bailard, Inc., appraisal, fund administration, legal, audit, tax, and other administrative expenses. We applied this change retroactively to all prior returns presented above. Net-of-fee returns are calculated by netting down the gross-of-fee returns by the actual investment management fee paid to Bailard, Inc. The investment management fee schedule for the Fund, which is included in the Real Estate Composite I, is 0.85% on the Fund's net asset value up to and including $750M and 0.75% on the Fund's net asset value above $750M. If the Fund's uncommitted cash exceeds 10% of the Fund's net asset value, the fee shall be reduced by an amount equal to the product obtained by multiplying 0.425% by the excess cash amount. The underlying performance results of the Fund reflect the impact of leverage, interest, and dividend income from short-term cash investments and publicly traded real estate investments, as applicable. Capital expenditures, tenant improvements, and lease commissions are capitalized and included in the cost of the property; are not amortized; and are reconciled through the valuation process and reflected in the appreciation return component. The Fund's income return is not the distributed income to the investor, and the Income Return is presented gross-of-fee and after Fund expenses.

The NCREIF gross return methodology is as follows: the total gross return is equal to net investment income plus appreciation divided by the beginning net asset value plus time-weighted external contributions less time-weighted external distributions ("Time-Weighted Denominator"). With respect to income and appreciation, the NCREIF methodology for net income return is equal to net investment income divided by the Time-Weighted Denominator, and net appreciation return is equal to appreciation divided by the Time-Weighted Denominator. Returns shown are inclusive of dividends reinvested as they are accounted for as an external contribution upon reinvestment. Returns for periods greater than one year are annualized. Annual returns are time-weighted rates of return calculated by linking quarterly returns. Income and appreciation returns may not equal total returns due to compounding effects of linking quarterly returns. From inception through the second quarter of 2009, all properties were appraised annually; from the third quarter of 2009, all properties have been appraised quarterly. Recent acquisitions are carried at cost until first appraisal. The Fund's Board of Directors determines the value of properties based on input from independent appraisers and all levels of the Fund management. Securities, mortgages payable, derivatives, and cash and cash-equivalent investments held by the properties and Fund are marked to market on each valuation date. The Fund's Inception Date is April 20, 1990. The NCREIF Fund Index - Open End Diversified Core Equity (NFI-ODCE) is a fund-level, time weighted return index reporting the performance results of various open-end commingled funds pursuing a core private real estate investment strategy and qualifying for inclusion in the NFI-ODCE based upon certain pre-defined index policy inclusion characteristics. Like the Fund, the NFI-ODCE performance results reflect leverage and the impact of cash holdings and joint ventures (i.e., returns reflect each contributing fund's actual asset ownership positions and financing strategy). As the Fund has done in the past, some NFI-ODCE funds may invest in real estate securities. The use of leverage varies among the funds included in the NFI-ODCE. The NFI-ODCE (EW) shows what the results would be if all funds were treated equally, regardless of size. Like the Fund's presentation, the Income Return is shown gross-of-fee. Per NCREIF, fees represent investment management advisory fees. To the extent fees are paid outside the fund, a deemed contribution and fee expense is recorded to capture the impact of fees in the net of fee returns. NCREIF defines gross and net of fees as follows:

- *Total Return, gross of investment advisory fees, based on changes in published market value Net Assets. The data contributing members provide all fund level returns as well as other pertinent data. NCREIF does not calculate individual fund returns but does calculate the overall aggregated Index return based on invested capital.*
- *Total Return, net of advisory fees. Net of fee returns are only presented at the Index Aggregate level to provide a proxy for the average advisory fees charged. Fee structures not only vary across managers and funds but also within a fund as fees may be negotiable and scaled based on the size of an investors' investment.*

The NFI-ODCE data, once aggregated, may not be comparable to the performance of the Fund due to current and historical differences in portfolio composition by asset size, geographic location, property type, and degree of leverage. The NFI-ODCE is unmanaged and uninvestable.

The S&P 500 Index is a commonly used U.S. stock index of 500 large capitalization stocks. The Dow Jones Industrial Average is an index that tracks 30 large, publicly owned companies trading on the New York Stock Exchange (NYSE) and the NASDAQ. The NASDAQ 100 Index is a modified capitalization-weighted index comprised of 100 of the largest non-financial domestic and foreign companies listed on the National Market tier of the NASDAQ Stock Market, Inc.

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Bailard

Published May 2025