

Bailard Real Estate Fund Quarterly Fund Summary

Q2 2025



For the quarter ending June 30, 2025:

Bailard Real Estate Fund Q2 Highlights	2	Commitment to SRII	21
Real Estate Economic & Market Conditions.....	6	Property Portfolio Summary & Updates.....	22
Fund Performance	13	Bailard Real Estate Team.....	31
Fund Overview	15	Risks & Disclosures	32
Transaction Activity	19		
Fund Management	20		

Bailard Real Estate Fund Q2 Highlights

PERFORMANCE

The Bailard Real Estate Fund's quarterly NCREIF-based return, including Income, was 0.9%, gross, and 0.7% (net of management fee). For the year ended June 30, 2025, the Fund earned a gross return of 2.8%, and 1.9%, net. Since inception in April 1990, Fund investors have earned annualized returns of 8.8% (gross) and 8.2% (net), over the 35-year period.¹

INCOME

As of June 30, 2025, the Fund's property portfolio was 92% leased, unchanged from Q1 quarter-end.² The total portfolio's Net Operating Income (NOI) decreased by 11.5% year-over-year (Q2 2025 vs. Q2 2024). Measured on a "same-store" basis (excluding properties not owned or not yet operational for the entire measurement period), NOI decreased by 1.2% year-over-year.

BALANCE SHEET

As of quarter-end, the Fund held \$126.8 million in cash and cash equivalents, or 9.3% of the Fund's Gross Asset Value (GAV).³ Cash and cash equivalents are inclusive of the \$12 million held in property-level operating accounts reserved for operations, maintenance, property taxes and on-going capital needs including tenant improvements, leasing commissions, repairs and maintenance expenditures, and other property priorities. The aggregate loan-to-value (LTV) ratio for the Fund stood at 21.7% at quarter-end, down from 23.9% at the end of Q1 2025, and down 7.7% or 770 basis points⁴ from 29.4% one year ago at the end of the second quarter of 2024.⁵ The Fund's in-place weighted-average interest

rate was 5.4% at the end of the quarter, up 20 bps from 5.2% at Q1 quarter-end. The weighted-average interest rate went up in Q2 due to the April payoff of the loan on Poplar Glen in Columbia, MD, which had a fixed rate of 3.0%. The Q2 weighted-average interest rate was unchanged from one year earlier at the end of Q2 2024, when the rate was also 5.4%.

A LOOK BACK

The second quarter started with a bang. On April 2, President Trump announced his "Liberation Day" tariffs with great fanfare. Trump loves to do "shock and awe." The market reacted with a combination of alarm, dismay, and consternation. The S&P 500 dropped 12% (from 5,671 to 4,982... its lowest level since April 2024) in the six days immediately following Trump's audacious tariff proposals. Likewise, the bond market was convulsed. Initially, yields on the 10-Year Treasury, the most widely watched benchmark for institutional investors, real estate and otherwise, ratcheted-down from 4.19% to 3.99%, its lowest level since early October 2024. And then, over eight days, it rocketed upward 50 basis points (a 25% move) to 4.49%.

The equities and bond market gyrations were not lost on President Trump and his team. On April 9, Trump, in one of his "just kidding" do-overs, announced a 90-day pause on the tariffs to give U.S. trading partners the time to negotiate new tariff deals with the United States. Equities traders quickly pivoted from fear to greed; By May 9, one month after Trump's pause was announced, the S&P 500 had regained all of the ground it lost in the immediate aftermath of "Liberation Day."

¹ 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.** Please see pages 13-14 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).

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.

And, six weeks later the S&P 500 was hitting new highs and finished the 2nd quarter at another all-time high of 6,205; Up 10.6% quarter-over-quarter and 5.5% year-to-date. Subsequent to quarter-end, the Index continued its relentless rise, hitting 6,340 as of July 31; Up another 2.1% month-over-month. The sky is the limit it seems for equities traders.

The bond market has been a bit more leery of President Trump's on again off again tariff and policy pronouncements. As the stock market climbed ever higher during the 90-day post Liberation Day pause, bond investors groped for a narrative. Ten-Year Treasuries hit 4.59%, their high for the quarter, on May 20 and then bounced between 4.3% and 4.5% for the rest of the quarter, ending Q2 at 4.25%, just 6 basis points higher than at the start of the quarter. At July month-end, the 10-Year Treasury yield stood at 4.22%, essentially unchanged from the start of the 2nd quarter.

What's going on under the waves? At quarter-end, the U.S. job market appeared to be on solid footing having generated an average of approximately 150,000 jobs per month in April, May, and June, a robust 35% increase over Q1 2025 numbers and 13% more than the same period a year earlier. This was all reported in the Fund's Flash Report in early July with a cautionary note: "The headline job numbers may not be as strong as they appear as nearly half of the gains in the quarter came from State and Local Government." It appears that the cautious stance was well founded. On Friday, August 1, the Bureau of Labor Statistics (BLS) reported a massive deceleration in the labor market. Payrolls expanded by only 73,000 in July, about half what economists were expecting. The BLS report dropped another bomb and revised May's and June's job gains down by 125,000 and 133,000, respectively. That meant that second quarter job growth averaged only 35,000 per month, the smallest gains since the pandemic.

In the wake of the BLS report, Moody's Analytics chief economist, Mark Zandi, shared on X that beyond the disappointing jobs numbers, there are other broad economic signals pointing to some latent weakness below the surface: Consumer confidence remains in

the doldrums, consumer spending is stagnating, while construction and manufacturing activity are now contracting. Though the unemployment rate continues to hover in a relatively healthy range between 4% and 4.2%, Zandi attributed the stability to a stagnant labor force. "Over the past six months, the foreign-born workforce has reportedly shrunk by 1.2 million, largely due to increased immigration enforcement. At the same time, the supply and demand for labor is receding... It now takes fewer jobs to keep the unemployment rate steady."⁷

JPMorgan's economists go a step further and emphasize that the pronounced labor market slowdown is more than a statistical anomaly. They warned that "a decline in labor demand of this magnitude is a recession warning signal" as firms typically maintain hiring unless convinced that a growth slowdown will persist.⁸

All of this is happening amidst a flurry of head-spinning tariff impositions, retractions, and modifications, economic and tax policy pronouncements, immigration policy shifts, and accelerated deployment of artificial intelligence in business processes, especially within business and professional services industries.

At the start of the day on Friday, August 1, the S&P 500 and 10-Year Treasuries stood at 6,339 and 4.4%, respectively. By the end of the day, the S&P 500 was down 1.6% (to 6,236) and the 10-Year T was down 19 basis points (4.3%) to 4.21%, its lowest level in three months. Once again, at least for a day, bad news was back to being bad news.

Up until the recent BLS jobs report, President Trump and the cheerleaders within his administration were declaring victory. Their unconventional policies were working in spite of broad skepticism and the economy was on fire: Second quarter jobs numbers were strong, GDP grew by a brisk 3% in Q2 after contracting in the first quarter, consumers continued to buy, and the stock market, Trump's all-purpose barometer for how things are going, powered ahead. As with many things in life and economics, the happy picture wasn't as simple and placid as it appeared to be. *The*

⁷ Swaminathan, A. (2025, August 2). Mark Zandi says the US economy is 'on the precipice of recession' as tariffs and immigration enforcement bite. *Business Insider*. <https://www.businessinsider.com/us-recession-economy-tariffs-immigration-policy-jobs-data-bls-trump-2025-8>

⁸ Morphy, E. (2025, August 4). Moody's and JPMorgan sound alarm as job growth slumps. *GlobeSt*.

Wall Street Journal's July 31 editorial, entitled "The Weirdest GDP Report Ever," captured the nuances this way, "The economy grew 3% on an annual basis, but largely because imports collapsed... The top line growth number looks good, and the White House naturally touted it. This reverses the 0.5% decline in the first quarter, which was largely explained by a surge of imports as businesses tried to front-run the anticipated tariff barrage." Net net, growth in the first half of 2025 was a paltry 1.2%. The editorial goes on "Most striking are the second quarter reports wild internal details. Net exports (exports minus imports) added a remarkable 4.99% to GDP as imports fell 30.3%." Economists often talk about "noise in the data" to help explain anomalies. The second quarter data was more like a deafening cacophony! "The crazy swing in imports shows how much Mr. Trump's up-and-down trade policies have disrupted business decisions and left companies scrambling to adapt. This seems to have had a negative effect on private domestic investment, which fell 15.6% in the second quarter after a surge in the first."⁹

The Wall Street Journal's editorial page on August 2 goes on to ask and then try to answer an important question: "How much of the jobs and growth slowdown owes to Mr. Trump's tariffs? It's hard to say, for sure. But it has occurred in the wake of Mr. Trump's April 2 tariff shock, his rapid backtrack from the highest rates, and then his willy nilly threats and deal-making with the world. The policy uncertainty has surely affected business hiring and investment. How can a business hire or invest if it doesn't know what its cost of goods will be, or from which supplier it will be able to buy at a competitive price?"¹⁰

U.S. Bank chief economist Beth Ann Bovino put it this way, "Businesses are very cautious – they don't know the road map, and so they are driving in the right lane very slowly."¹¹

Of course, the disappointing jobs report, strongly at odds with the Trump Administration's narrative of an economy on the brink of a golden age, made President Trump furious. He understands that the closely

watched BLS report signals trouble. Instead of trying to explain the data and nuances that might cause discrepancies and ask Americans for a little patience, Trump decided to shoot the messenger! On Friday he ordered the firing of the head of the BLS claiming that the numbers are being manipulated for political purposes... but, of course, offered no proof. President Trump and his allies must understand that monthly revisions are bound to happen when the landscape is so uncertain. Unless and until he does, he'll may continue to have to find more messengers to shoot!

On Monday, August 4, traders on Wall Street were back to seeing bad news as good news. The anemic jobs report through the end of July opened the door a little wider to a rate cut at the Fed's next gathering. Though the central bank still has one more employment report and two more inflation reports before their September meeting, there appears to be some momentum in that direction.

The Bailard Real Estate Fund continued its steady, albeit somewhat lackluster, escape from the doldrums during the second quarter. It was the fifth straight quarter of positive returns for the Fund after six negative quarters stretching back to Q4 of 2022. The Fund's return for the trailing 12 months was 2.8%. The returns are decidedly bland, but in another positive sign for the durability of this recovery, the Fund's portfolio of assets have had two straight quarters of net appreciation that have contributed to the positive returns. And for the past two quarters, the number of properties that have enjoyed value increases have outnumbered the number of properties suffering declines. The first time that has been the case in over three years.

Encouragingly, "on the ground" operations remain steady. During the first half of the year, the Fund did one new industrial lease (13,918 square feet (SF)), one new retail lease (1,400 SF), and four renewals (9,287 SF), two new office leases (12,400 SF), and three renewals (74,670 SF). Bailard's office assets now have an aggregate occupancy level of 88%, up from 77% year-over-year. This improvement is substantially the

⁹ *The Weirdest GDP Report Ever.* (2025, July 31). *The Wall Street Journal* editorial board, summarized in Jack Smith, "GDP Report Highlights Policy Volatility." *Hampton Global Business Review*, July 31, 2025.

¹⁰ *The Wall Street Journal* Editorial Board. (2025, August 1). *The Trump Economy Stumbles.* *The Wall Street Journal*, reprinted in "Trump Economy Stumbles," *Point of View*.

¹¹ Torry, H. (2025, July 30). *The Wall Street Journal.* U.S. Economy Rebounds in Second Quarter <https://www.wsj.com/economy/us-gdp-q2-2025-359c022b>

result of portfolio “pruning” that the real estate team has accomplished the past three quarters. Office assets now account for only 8% of BREF’s property portfolio. At quarter-end, the Fund’s industrial, multifamily, and retail assets all had healthy leased-percent levels of 94%.

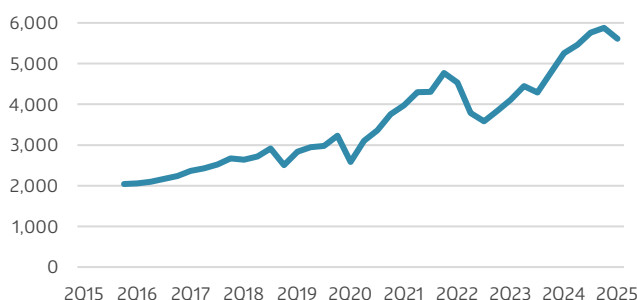
The valuation metrics for the Fund’s portfolio present another picture of stability. Since the beginning of the year, capitalization rates (a measure of a property’s Net Operating Income relative to its market value, also “cap rate”) on the Fund’s assets have changed very little: multifamily is down by 4 basis points; industrial is up by 6 bps; retail is down by 8 bps; and office is down by 4 bps. BREF asset cap rates for industrial, retail, and office are all higher than its ODCE peer group average by 41 bps, 35 bps, and 155 bps, respectively. BREF’s multifamily cap rates, at 5.03%, are a modest 19 bps lower than its ODCE peers.

On a macro level, in spite of the unsettled landscape in the first half of the year due to the Trump administration’s ever-shifting trade, immigration, and tax policies, geopolitical challenges in the Middle East, Eastern Europe, and Asia, and a U.S. economy starting to show some slippage, the first six months of 2025 were ever-so-modestly positive for commercial real estate in the U.S. A few “green shoots”: Improving debt availability (albeit at pricing higher than investors would like); lower debt spreads; higher transaction volume; firming prices; and continuing moderating construction completions allowing supply/demand fundamentals to re-balance/improve... even for office! It feels like the prospects for commercial real estate investors are stabilizing and the Bailard Real Estate team believes that the Fund is well-positioned to exploit opportunities in this environment.

Real Estate Economic & Market Conditions

(as of June 30, 2025)

S&P 500 Index¹



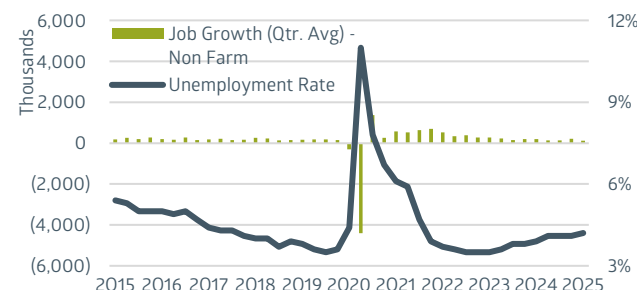
- The S&P 500 finished Q2 2025 at 6,205, up 10.6% quarter-over-quarter, and up 13.6% year-over-year.
- The top performing sector during the quarter was Information Technology (23.7%), followed by communication services (18.5%).
- Underperforming sectors during the quarter were Energy (-8.6%), and Health Care (-7.2%).

Real Gross Domestic Product (GDP) Growth



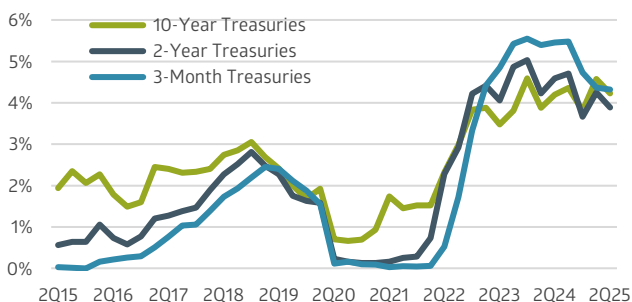
- During Q2 2025, Real Gross Domestic Product grew at an annualized rate of 3.0%, 350 basis points² more than the 0.5% contraction in Q1 2025.
- Quarterly annualized GDP rose in Q2 2025 primarily because of a sharp, tariff-driven decline in imports coupled with a modest uptick in consumer spending.
- Year-over-year, GDP grew by 2.0%, which is down from the rate of growth a year ago at 3.0% in Q2-end 2024.

Job Growth and Unemployment Rate



- In Q2, non-farm payrolls added 191,000 jobs (avg. 64,000/month), down 52% decline year-over-year and 43% from Q1 2025. (May and June figures were revised substantially lower in the August 1 BLS labor report.)
- Monthly job growth remains well below the 10-year average of 154,000, reflecting reduced federal hiring, increased layoffs (especially in manufacturing), and uncertainty due to trade policies and market volatility.
- The unemployment rate ended the quarter at 4.1%, down 10 bps from Q1 and unchanged from one year ago.

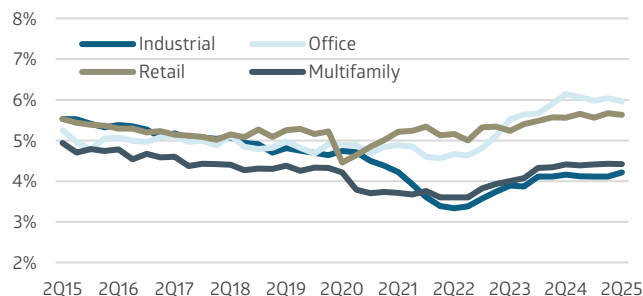
U.S. Treasury Yields



- The 10-Year Treasury finished Q2 at 4.24%, up 1 basis point from Q1, and a decrease of 12 bps year-over-year.
- At the end of Q2 the 2-Year Treasury yield was 3.72%, down 17 bps quarter-over-quarter, and a decrease of 99 bps from a year ago.
- The 3-Month Treasury finished Q2 at 4.41%, an increase of 9 bps from Q1, and down 107 bps from the end of Q2 2024.

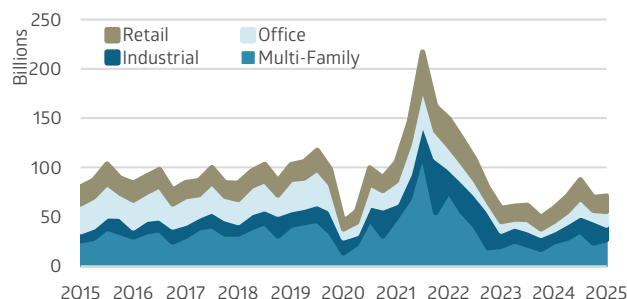
Sources: FactSet, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Federal Reserve Bank of St. Louis.
¹ Returns of the S&P 500 Index are presented as price change only. ² A basis point (bp) is 0.01%.

Capitalization Rates³



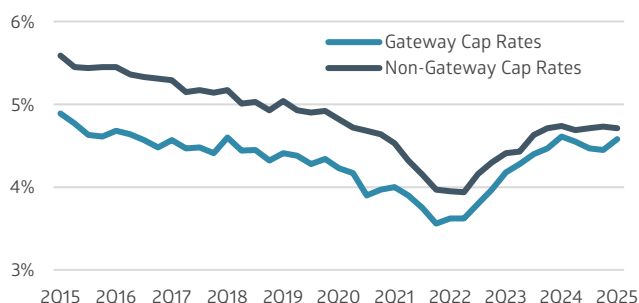
- According to the National Council of Real Estate Investment Fiduciaries (NCREIF), cap rates at the end of Q2 for multifamily, industrial, office, and retail properties were 4.4%, 4.2%, 6.0%, and 5.6%, respectively.
- During the quarter, industrial cap rates increased from Q1 by 10 bps. Both multifamily and retail cap rates remained flat from Q1, while office cap rates fell 10 bps.
- Year-over-year, industrial and retail cap rates ticked up 10 bps, while multifamily remained flat and office declined 20 bps.

Investment Volume



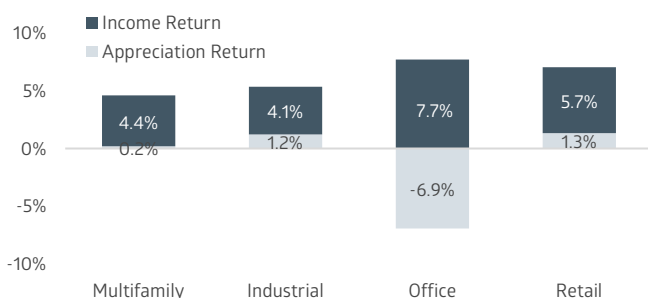
- In Q2, the total transaction volume across the four main property types reached \$73.0 billion, a 20% increase, quarter-over-quarter, and a 17% increase, year-over-year.
- The multifamily sector contributed the largest share of the total volume with \$27 billion representing a 15% increase quarter-over-quarter, and a 9% increase, year-over-year.
- The office sector saw the largest quarterly and annual increases at 50%, and 56%, respectively, but accounted for the smallest share of total volume at just \$14 billion.

Gateway vs. Non-Gateway Cap Rates⁴



- In Q2, the cap rate for U.S. “Gateway” markets (Boston, New York, Washington, D.C., Los Angeles, San Francisco, Seattle, and Chicago) increased 10 bps from the previous quarter to 4.6%, while U.S. “Non-Gateway” primary markets remained flat from Q1 at 4.7%.
- On average, over the last 10 years, cap rates for Non-Gateway markets are typically 52 bps higher than the Gateway markets.
- As of Q2, the spread between Non-Gateway over Gateway cap rates is 13 bps, 15 bps narrower than last quarter.

One-Year Performance, NFI-ODCE Unleveraged Property Returns⁵



- As of Q2, the NFI-ODCE Equal Weight (EW) index had a 1.0% return, gross of fees, for the quarter resulting in a 3.3% one-year return.
- Retail was the top-performing asset class this quarter, delivering a 1.9% total return, followed by multifamily at 1.4%, and industrial at 1.1%.
- Office was the worst performing asset class, with a 0.5% total return for the quarter. It was the only sector to report negative appreciation, declining by 1.0% during Q2.

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 Baillard Real Estate Fund's unleveraged property returns for the same period were: Multifamily, 2.2% (Inc: 4.3%, App: -2.1%); Industrial, 5.5% (Inc: 4.7%, App: 0.8%); Office, 4.9% (Inc: 6.5%, App: -1.5%); and Retail, 12.7% (Inc: 6.7%, App: 5.7%).

Multifamily

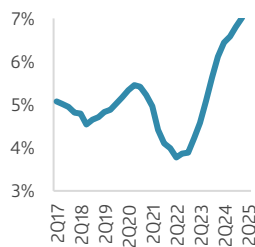
Q2 2025 represented a shift in the U.S. multifamily market as overall vacancy fell to 8.2%, ending a 13-quarter stretch of rising vacancies. This improvement is driven by strong demand from both older Gen Z renters entering the market and baby boomers choosing to rent. Meanwhile, new supply has slowed, with net deliveries down nearly 30% to under 130,000 units for three straight quarters. The construction pipeline has also shrunk by over 40% from its early 2023 peak to 599,000 units, helping to address oversupply, particularly in the South and Southwest. As construction activity continues to cool, markets with excess inventory are likely to see vacancy decline and rental rates stabilize.

VACANCY

As of Q2, 25: 8.2%

10-Year Avg: 6.6%

Qtr/Qtr Change:
-4 bps

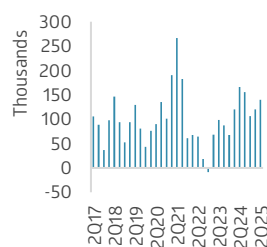


ABSORPTION

As of Q2, 25: 140,000 units

10-Year Avg: 96,000 units

Qtr/Qtr Change:
+19,000 units

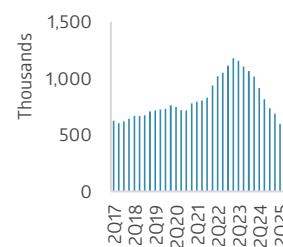


CONSTRUCTION

As of Q2, 25: 599,000 units

10-Year Avg: 776,000 units

Qtr/Qtr Change:
-88,000 units

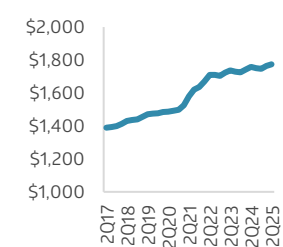


RENT

As of Q2, 25: \$1,774/month

10-Year Avg: \$1,544/month

Qtr/Qtr Change:
+0.6%



Industrial

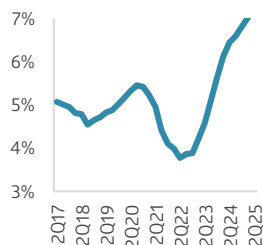
During Q2, the industrial market recorded net absorption of negative 12 million square feet (SF), the first contraction in over a decade. Vacancy rose to 7.4%, a ten-year high, as new supply entered the market. Construction starts hit a ten-year low in late 2024 and continued to decline through the first half of 2025. Completions are expected to drop below pre-pandemic averages by late 2025 and reach an 11-year low in 2026. With construction slowing, vacancy rates should improve and rents—now softening—are expected to stabilize by mid-2026. Rent growth slowed to 1.7% year-over-year, the weakest since 2012, though many lease renewals are still occurring at rates well above escalated in-place rents after the exceptionally strong growth industrial has seen over the past six to eight years. Gross leasing activity rose in the Midwest and South, with improvement also noted in the San Francisco Bay Area and California's Inland Empire. While reduced new supply will help rebalance fundamentals, uncertainty from U.S. trade policy continues to pose risks to the industrial market.

VACANCY

As of Q2, 25: 7.4%

10-Year Avg: 5.2%

Qtr/Qtr Change:
+36 bps

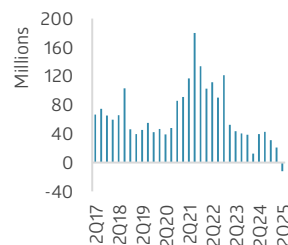


ABSORPTION

As of Q2, 25: -12 million SF

10-Year Avg: 66 million SF

Qtr/Qtr Change:
-33 million SF

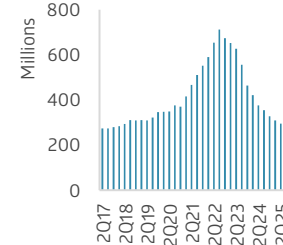


CONSTRUCTION

As of Q2, 25: 296 million SF

10-Year Avg: 385 million SF

Qtr/Qtr Change:
-14 million SF

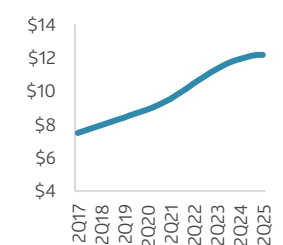


RENT

As of Q2, 25: \$12/SF (NNN)

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

Qtr/Qtr Change:
-0.1%



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

Office

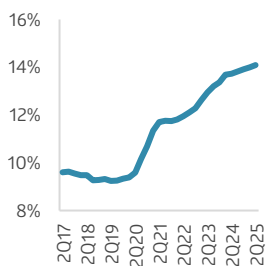
Recovery stalled as net absorption turned negative, with occupiers giving back seven million SF and pushing vacancy up 1 bp to 14.1%. The construction pipeline declined to 63 million SF, the lowest since 2012, offering some support for a recovery if demand improves. Leasing activity returned to normal deal counts, though average deal sizes remained about 15% below pre-pandemic levels, leaving total leasing volume 5-10% under pre-2020 norms. Asking rents held flat at \$36/SF, a 0.2% gain from last quarter. Growth in net effective rents (gross “face” rates less common area expenses, real estate taxes, and net of any concessions) is expected to stagnate below 1% annually due to aggressive concessions and persistent sublease inventory. While higher in-office attendance and reduced new supply could aid a recovery, the outlook remains cautious, with stabilization unlikely before late 2026 and structurally higher vacancies expected to persist for years.

VACANCY

As of Q3, 25: 14.1%

10-Year Avg: 11.1%

Qtr/Qtr Change:
+1 bps

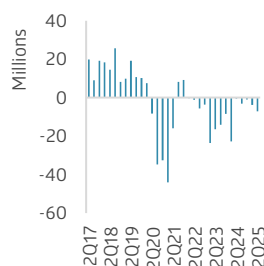


ABSORPTION

As of Q2, 25: -7 million SF

10-Year Avg: 2 million SF

Qtr/Qtr Change:
-3 million SF

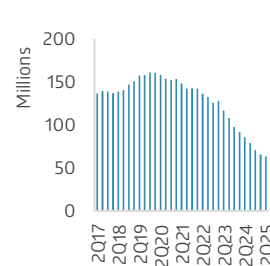


CONSTRUCTION

As of Q2, 25: 63 million SF

10-Year Avg: 130 million SF

Qtr/Qtr Change:
-2 million SF

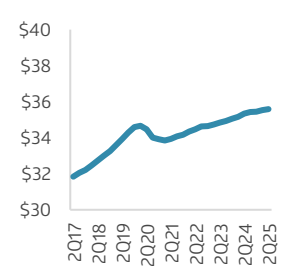


RENT

As of Q2, 25: \$36/SF (Gross)

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

Qtr/Qtr Change:
+0.2%



Retail

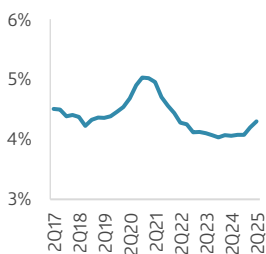
The U.S. retail market posted a second straight quarter of negative net absorption, as store closures and bankruptcies added seven million SF of availability, its highest in three years. Despite this, vacancy remains low at 4.3%, 20 bps below the 10-year average. Limited new construction and steady backfill demand have helped keep vacancies in check. Construction activity hit a historic low, with just 50 million SF underway. Average retail rents rose 1.9% year-over-year to \$25.38/SF, led by Sun Belt and Western metros benefiting from strong population and income growth. However, cooling consumer spending and higher tariffs are likely to weigh on tenant demand, potentially putting further pressure on rents and vacancies in the near term. Rent growth is forecasted to remain steady but muted, with performance varying by market and property type.

VACANCY

As of Q2, 25: 4.3%

10-Year Avg: 4.5%

Qtr/Qtr Change:
1 bps

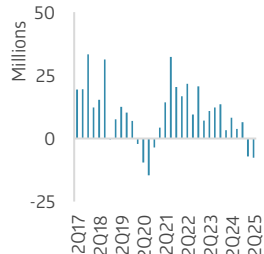


ABSORPTION

As of Q2, 25: -8 million SF

10-Year Avg: 14 million SF

Qtr/Qtr Change:
-1 million SF

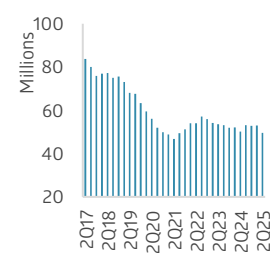


CONSTRUCTION

As of Q2, 25: 50 million SF

10-Year Avg: 65 million SF

Qtr/Qtr Change:
-3 million SF

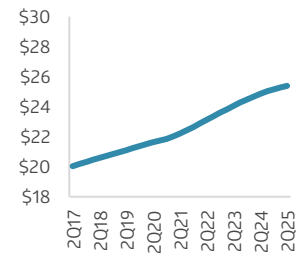


RENT

As of Q2, 25: \$25/SF (NNN)

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

Qtr/Qtr Change:
0.4%



THE LOOK AHEAD

In the BREF Q1 2025 Shareholder Report, we warned that President Trump's chaotic tariff policies risked costing the United States its position as the undisputed economic leader in the world. "Mr. Trump thinks 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."

In the intervening three months, a few things have changed and some things haven't. A handful of high-profile tariff programs have been finalized, including with important trading partners like the UK, the EU, Japan, and South Korea. A number of other trade deals are in process. And then, on the fringe, several countries are the object of extraordinary tariff threats (Brazil, India, and Canada most particularly) for reasons wholly unrelated to trade with the United States.

The U.S. economy may not be booming to the extent that President Trump is inclined to exclaim, but it hasn't cratered as many experts feared after April 2. Despite a recent uptick, inflation has remained modest (albeit above the Federal Reserve Bank's 2% target), the labor market has proved steady, Wall Street profits are healthy, and stocks have rebounded spectacularly. "The major takeaway from the last few months is that economists all need to have a little more humility about how well they understand the way various policy changes are likely to affect the economy," says Oren Cass, founder of think-tank American Compass.⁶

Uncertainty is usually an enemy of investment. This year, so far, not so much. *The Wall Street Journal*, in a July 7 article written by James Mackintosh entitled "Investors Come Around to Uncertainty quotes Claudio Irgoyen," head of global economics research at BofA, "You cannot commit to long-term investment when you don't know the rules of the game... But it's going to take time to see it. We're not seeing the effects of uncertainty on Capex yet... and we're not seeing the effects of tariffs on inflation yet."⁷

One narrative that gained currency during the 2nd quarter to help explain why the stock market rallied to successive highs is something dubbed the "Taco Trade." Taco is the acronym for "Trump always chickens out," meaning that President Trump never actually follows through on his most extreme threats and demands. Rather, Trump often stakes out harsh positions on the fringe as a negotiating ploy only to back down in order to secure a deal and declare victory. It certainly has worked out that way for equities traders and Wall Street's biggest banks who have raked-in record profits through the first half of the year deploying the strategy.

But some worry that the markets are putting too much faith in that approach. "It is for me pretty clear that there is some complacency around the 'Taco Trade,'" warned Vincent Mortier, Chief Investment Officer of Amundi – Europe's biggest Asset Manager was quoted as saying in a July 12, 2025 *Financial Times* article by Kate Duguid entitled, Trump Risks Triggering Another Trading Shock, Warn Investors. JPMorgan CEO, Jamie Dimon, one of the most prominent executives in global finance echoed the sentiment at an event on July 10 noting that "unfortunately, I think there is complacency in the market."⁸

Equities have largely shrugged-off Trump's continual barrage of tariff threats against large global economies, all of which are key trading partners of the U.S.

Many Wall Street banks' research departments have told clients that they expect Trump to reduce his most severe levies rather than risk another bout of market turbulence. That sanguine view has helped keep measures of expected volatility in U.S. stock and bond markets subdued.

Maurice Obstfeld at the Peterson Institute for International Economics warns that "It's still early days... The economy is clearly weathering some hits but I think that the surface resilience could be a little bit deceptive." He goes on to say that the economy appears to be holding its own, "but it has vulnerabilities and tensions that are lurking below that may become more serious in the quarters ahead."⁹

6 McCormick, M., Jones, C. (2025, Jul 28). *Financial Times*. How long can the US economy defy expectations?. <https://www.ft.com/content/b9f739a7-d515-4371-8f7f-5e19aa96e1a4>.

7 Mackintosh, J. (2025, Jul 7). *The Wall Street Journal*. Investors come around to uncertainty. <https://www.wsj.com/finance/investing/trump-market-uncertainty-investors-02be1e8b?>

8 Duguid, K. (2025, Jul 12). *Financial Times*. Trump risks triggering another trading shock, warn investors. <https://www.ft.com/content/d3f2510b-f4df-4df3-a289-43fa7c167308?>

9 McCormick, M., Jones, C. (2025, Jul 28).

This is an economy that for several years has been more resilient than forecasters expected. But others warn that while the fallout from Trump's policies may not have materialized as quickly as feared, it still threatens to show up in the months ahead.

Though many companies have held off raising prices while they assess the longevity of the tariffs, once policy becomes settled as trade deals are struck, warn experts, businesses will be quick to pass on additional costs.

Something else that has changed in the past three months is the intensity of President Trump's jihad against Federal Reserve Chair Jerome Powell. As Nick Timiraos of *The Wall Street Journal* (WSJ) put it in a June 24 article entitled "Trump Puts Powell in No-Win Scenario", "President Trump has escalated his long-running public attack on the Federal Reserve, setting up a lose-lose situation for the central bank as it tries to navigate the risks of higher prices and a weaker economy from tariffs. The assault has little modern precedent and forces the Fed to confront a dreadful choice: It could cut rates sharply as Trump wants and risk fueling inflation that damages its credibility with markets. Or it could maintain its current wait-and-see stance, and face further bullying that would weaken its standing if the economy slows sharply and the Trump administration is validated in its view that inflation shouldn't be a worry."¹⁰

The editorial board of the *WSJ*, in a July 16 piece entitled "Trump Tariffs Hit Consumer Prices," with the benefit of more data, put it this way, "President Trump insists there is no inflation as he bludgeons the Federal Reserve to cut rates. But denying inflation reality won't make it go away. His tariffs are making it harder for the central bank to do what he wants, as June's rise in the CPI shows. Trump has been bashing Fed Chair Powell as 'too late', but the June inflation numbers appear to vindicate the Fed Chief's caution."¹¹

Several of America's most trusted and widely respected financial leaders are starting to sound the alarm about the potential damage Trump could do with his continued attacks on Fed Chair Powell. AnnaMaria Androitidis penned a July 17 article for the *WSJ* entitled "Bank CEOs Speak Up, Back Fed Independence." "The

nation's biggest bankers are speaking out to defend the independence of the Federal Reserve at the same time Trump openly discusses ousting the Fed Chair. The CEOs of Goldman Sachs, Bank of America, and Citigroup said on 7/16 that the central bank's ability to operate without White House or political interference is critical to the U.S. economy and financial markets."¹² Their comments echoed JPMorgan CEO Jamie Dimon, who said the same thing the day before.

It appears that one of the biggest guardrails preventing Trump from taking action against Powell is market reaction. On July 16, news broke that Trump had mentioned firing Powell at a meeting with Republican lawmakers sent the dollar reeling and triggered a worrisome rise in long term inflation expectations. Although the president later said that it was highly unlikely that he would sack Powell, analysts warned that the uncertainty remained.

What might this all mean for real estate?

Attractively priced and readily available mortgage debt is the lifeblood of the real estate investment industry. Even for investors like the Bailard Real Estate Fund that do not utilize much leverage as part of their core investment strategy, the debt landscape is still critically important because investment returns for private core real estate are "benchmarked" to some degree against the cost of long-term (i.e., 10-year) leverage. Equally important for the Fund and other property owners is that most investors will use debt to finance their purchases, so it is something that impacts values, transaction velocity, and liquidity.

Even if the Federal Reserve does lower short term interest rates as President Trump so keenly desires, in the absence of a recession, it's hard to imagine how long term interest rates can come down any time in the near future. Right now, the 10-Year Treasury is hovering around 4.25%, right "on top" of the Fed Funds rate range of 4.25% to 4.5%. The "normal" relationship between the Fed Funds Rate and 10-Year Treasuries is that 10-Year Ts carry a yield of approximately 150 to 200 bps higher than the central bank's overnight rate. The upshot is that the Fed Funds rate would need to drop to sub 3% (~150 bps from where it is today) to reach a more "normal spread". Again, without a

10 Timiraos, N. (2025, Jun 24). *The Wall Street Journal*. Trump Puts Powell in No-Win Scenario. <https://www.wsj.com/economy/central-banking/jerome-powell-fed-interest-rate-trump-tariffs-recession-67481e65?>

11 Editorial Board. (2025, Jul 16). *The Wall Street Journal*. Trump Tariffs Hit Consumer Prices. <https://www.wsj.com/opinion/june-inflation-cpi-labor-department-prices-tariffs-donald-trump-economy-e09d0d7d?>

12 Androitidis, A. (2025, Jul 17). *The Wall Street Journal*. Bank CEOs Speak Up, Back Fed Independence. <https://www.wsj.com/economy/central-banking/bank-ceos-federal-reserve-independence-7ce5c29c?>

recession, that rate environment would seem to be at least 12 months away.

Gillian Tett, editorial writer for the *Financial Times* in a July 16, 2025 interview with Willy Walker, CEO of real estate brokerage firm Walker & Dunlop, posited a seemingly far-fetched but not inconceivable, scenario: President Trump forcing long-term rates down using “financial oppression”. She reminds us that “this was the main tool used to cut debt in the post-WWII period by both the U.S. and the UK. The debt did not get paid-down solely because of economic growth and austerity, it was because the government had enough control over the financial industry in those days to force lots of institutions to buy lots of government debt at below-market yields. That, coupled with some growth and some inflation enabled them to bring the debt down.”¹³

Could the U.S. government actually pull off another round of financial repression even though they don’t have the same degree of control over the financial markets that they did 75 years ago? Is this one of the reasons that Treasury Secretary Scott Bessent wants to ease Supplementary Leverage Ratio (SLR) requirements for big banks so that Trump can force them to load up on Treasuries?

Economists generally agree that for the U.S. economy to slide into recession, the American consumer needs to falter and that’s not happening... yet.

There are three major risks that loom large for the economy:

- 1) U.S. Labor market strength (or weakness);
- 2) Consumer health, resilience, and confidence; and
- 3) Financial market stability and/or challenges thereto.

Though the U.S. economy is not on the cusp of a recession, it is clear that we are not living in normal times and that the current administration’s eccentric and often erratic words and deeds will keep investors and markets on edge for the foreseeable future.

Real estate fundamentals in the U.S. remain mixed depending on property type and market. There are several well-publicized pockets of weakness (industrial in Phoenix, Denver, and California’s Inland Empire; multifamily in Austin, Raleigh/Durham, and Atlanta; and retail in San Francisco, Houston, and Chicago). Likewise, there are notable nodes of strength (industrial in Portland, St. Louis, and Minneapolis; multifamily

in Orange County, Chicago, and Boston; and retail in Savannah, Charlotte, and Salt Lake City). For the most part fundamentals are moving in the right direction and we have likely seen the bottoming of write-downs attributable to capitalization rate expansion that came on the heels of the Fed’s aggressive rate-tightening between March 2022 and August 2023.

Real estate has gone through a wrenching repricing over the past three years. Cap rates expanded 150 to 250 bps for most institutional-quality industrial, multifamily, and retail properties depending upon property and market specifics (office is another story altogether), while 10-Year Treasuries (the benchmark for most institutional real estate investors) moved up by a much greater degree (~300 bps) from lows of 1% to 1.5% (where it hovered for most of 2021) to its current level of approximately 4.25%. Currently cap rate spreads to Treasuries are paper thin both nominally and relatively. The upshot of this is that, for the foreseeable future, property appreciation will come from cash flow growth and improvements in fundamentals rather than cap rate compression.

How is the Bailard Real Estate Fund positioned in the current environment? Quite well, we believe.

- 1) The Fund has no redemption queue, having put that to bed in Q4 2024,
- 2) The Fund has no looming debt maturity challenges,
- 3) The Fund has few significant operational issues at any assets, having taken care of several of those with strategic dispositions the past three quarters,
- 4) The Fund has more available liquidity to “go on offense” and make attractive and accretive acquisitions than it has had in over three years, and
- 5) The Fund has the healthiest “Pipeline” of potential investment opportunities that it’s had in over two years.

So even though the landscape is uneven, and the path ahead is not entirely clear or free of stumbling blocks, the Bailard Real Estate team is confident that it has the resources, processes, open runway, and discipline to take advantage of current disjointedness in the market for the long-term benefit of the Fund and its shareholders.

¹³ Walker Webcast (2025, Jul 16). *Seizing Opportunity Amid Global Shifts*. <https://www.walkeranddunlop.com/webcast/gillian-tett>.

Fund Performance

The Fund's Net Asset Value (NAV) at June 30, 2025 was \$30.97 per share, following a \$0.10 per share quarterly dividend. The Fund's quarterly NCREIF-based return was 0.9% (gross) and 0.7% (net of management fee). For the year ended June 30, 2025, the Fund earned a 2.8% gross return and 1.9% net return.¹

During the second quarter, 14 of the Fund's 29 properties experienced gains in value of between 0.1% and 4.5%, nine saw decreases of 0.1% to 9.1%, and six remained unchanged.

Charter Colony in Midlothian, VA, enjoyed the largest write-up of the quarter, rising in value by 4.5% due to continued upward movement in market rental rates. District 237 in San Jose, CA, increased in value by 3.5% as the property is making good progress on its path to being repositioned and upgraded to a "powered shell" R&D facility which requires substantial capital investment but should also command higher rents. Shoppes at Knightdale in Knightdale, NC, enjoyed a 3.1% increase in value, as a result of the appraiser utilizing lower yield rates to reflect increased investor demand for well-anchored open-air retail centers.

The largest percentage write-down for the quarter occurred at Poplar Glen in Columbia, MD. The value decreased by 9.1%, which represented the expected net sale price for the property as of June 30, 2025. The transaction closed on July 15, subsequent to quarter-end, and further details can be found in the disposition section below. 150 Pierce Road in Itasca, IL, experienced a decline of 2.8% due to higher-than-expected leasing costs for the Jewel extension at the same time that the second largest tenant provided notice that it will vacate upon lease expiry in February 2026. Fairview Park in Falls Church, VA, experienced a valuation decline of 2.6% due to an increase in the terminal capitalization rate to account for ongoing uncertainty in the greater Washington, DC, metropolitan area office market.

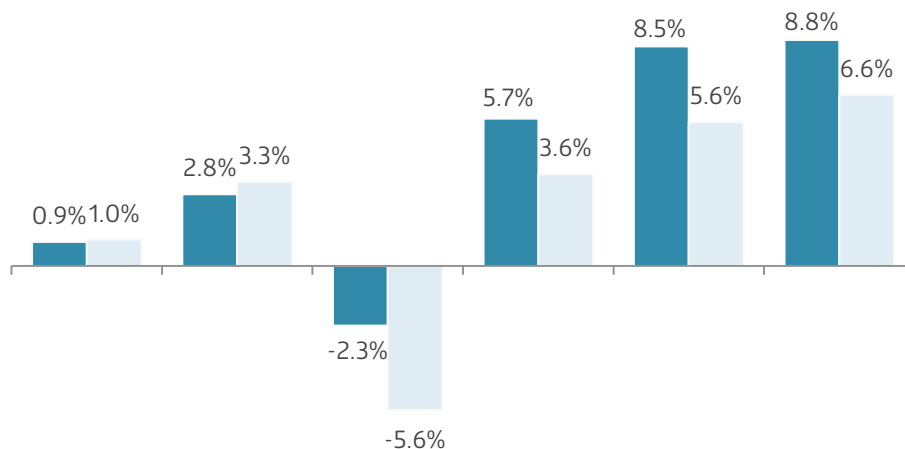
Sources: Bailard, NCREIF.

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 Returns²

FOR PERIODS ENDING 6/30/2025

■ Bailard Real Estate Fund
Total Return, Gross of Fee
■ NFI-ODCE (EW) Index
Total Return, Gross of Fee



	Qtr	1-Yr	3-Yr	5-Yr	10-Yr	Since Inception (4/90)
Bailard Fund, Gross of fee	0.9%	2.8%	-2.3%	5.7%	8.5%	8.8%
NFI-ODCE (EW), Gross of fee	1.0%	3.3%	-5.6%	3.6%	5.6%	6.6%
Relative Performance, Gross of Fee	-9 bps	-47 bps	+327 bps	+216 bps	+295 bps	+213 bps
Bailard Fund, Net of fee	0.7%	1.9%	-3.1%	4.9%	7.6%	8.2%
NFI-ODCE (EW), Net of fee	0.8%	2.5%	-6.3%	2.7%	4.7%	5.7%
Relative Performance, Net of Fee	-11 bps	-53 bps	+318 bps	+212 bps	+292 bps	+248 bps

Sources: Bailard, NCREIF.

² 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. Relative performance shows how many basis points the result was above or below the benchmark, rounded to two decimal places.

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

Fund Overview

As of June 30, the Fund's property portfolio was 92% leased, unchanged from Q1 quarter-end and down from 93% as of Q2 2024, one year ago.¹

At the portfolio's multifamily assets, total NOI decreased by 9.4%, year-over-year (Q2 2025 vs. Q2 2024). Measured on a "same-store" basis, multifamily NOI dropped by 5.1%, year-over-year. (The same-store calculation excludes Beck46 and Grand at Saginaw, which were not yet fully operational during Q2 2024, and Grand at Manor and Gwinnett Apartments, which were sold in Q4 2024.) C&E Lofts in St. Paul, MN, declined by 37.7% resulting from a property tax refund received in April 2024. La Morada at Weston in Weston, FL, contracted by 23.9% due to units being held vacant during the property's stair replacement project. In contrast, NOI at Lowa46 in Minneapolis, MN, increased by 35.7% due to an overall increase in income as a result of lower vacancy and lighter concessions at the property combined with a decrease in expenses. Poplar Glen in Columbia, MD, enjoyed a 13.9% year-over-year NOI increase.

Year-over-year, total NOI at the Fund's office properties decreased by 39.6%. Same-store office NOI dropped by 2.8% from Q2 2024. The same-store calculation excludes three properties: Easton Commons in Columbus, OH, Town & Country in Orange, CA, which were both sold in Q2 2025, and Highland Pointe in Lombard, IL, that, in Q4 2024, was transferred to the Fund's joint venture partner. Fairview Park in Falls Church, VA, declined by 73.1%. 150 Pierce Road in Itasca, IL, contracted by 22.6%. Partially offsetting

Fund Summary

AS OF 6/30/2025²

Property Portfolio	\$1235.5 mil.
Cash and Cash Equivalents ³	\$126.8 mil.
Restricted Cash ⁴	\$2.8 mil.
Other Assets	\$2.7 mil.
Gross Asset Value ⁵	\$1367.8 mil.
Debt ⁶	\$306.1 mil.
Dividends Payable	\$3.2 mil.
Other Liabilities	\$17.3 mil.
Net Asset Value (NAV)	\$1041.2 mil.
Noncontrolling Interests in Joint Ventures	\$44.5 mil.
Fund's Net Asset Value	\$996.7 mil.
Current NAV/Share	\$30.97
Dividends Paid/Share (Quarter) ⁷	\$0.10
Dividends Paid/Share (Trailing Twelve Months) ⁷	\$0.40
Number of Properties	29
% Core / Operating	100%
% Leased ¹	92%
Multifamily	94%
Office	88%
Industrial	94%
Retail	94%
Other	60%
Weighted Average Remaining Lease Term (SF)	4.9 years
Industrial	4.5 years
Retail	7.3 years
Office	4.6 years
Other	6.7 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 \$44.5 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.

these declines was Flying Cloud in Eden Prairie, MN, which increased by 207.8%.

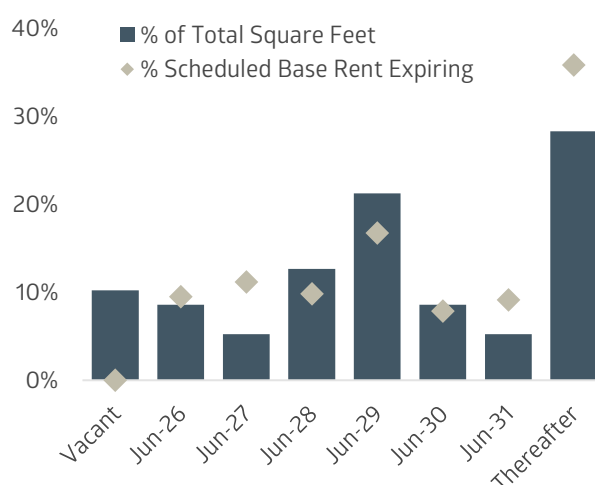
At the portfolio's industrial assets, total year-over-year NOI declined by 7.5%. Same store industrial NOI dropped by 1.5% in the same period. The same-store calculation excludes South Logistics Center in West Valley City, UT, which was in lease-up in Q2 2024, and South Mountain Industrial in Phoenix, AZ, which was sold in Q4 2024. Georgia Trade Center in Savannah, GA, declined by 18.9% due to a real estate tax reimbursement adjustment. The Westport Industrial Portfolio in St. Louis, MO, contracted by 11.3%. Partially offsetting these decreases were Meadowville Distribution Center in Chester, VA, and Market Street Industrial in Houston, TX, which saw increases of 12.5% and 9.3%, respectively.

The portfolio's retail properties' NOI increased by 4.3% year-over-year on both a total and same store basis. Charter Colony in Midlothian, VA, rose by 12.1%. Shoppes at Knightdale in Knightdale, NC, grew by 7.0%. In contrast, M Street in Washington, DC, declined by 7.7%.

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 its year-over-year NOI increased by 29.2% due to a Common Area Maintenance (CAM) expense adjustment reimbursement received this quarter.

Upcoming Lease Expirations

EXCLUDING MULTIFAMILY



Top 10 Tenants

AS OF 6/30/2025⁸

Tenant	Property Name	% of Portfolio Revenue
CDK Global	District 237	3.4%
Engineered Floors & Pentz Str	Fullerton	3.4%
Lowe's Home Centers	Georgia Trade Center	3.1%
Stop & Shop	Mansfield Stop & Shop; Norwell Stop & Shop	3.1%
CCBCC Operations	Meadowville Distribution Center	2.6%
SFC Global Supply Chain	Fullerton	2.3%
Jewel Food Stores	150 Pierce Road	2.1%
Lone Star Integrated Distribution	Market Street Industrial	2.0%
Northrop Grumman	Junction Drive	1.7%
System Beauty Logistics	South Logistics Center	1.7%
Total Top 10 Tenants		25.4%

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 June 30, the Fund had leverage totaling \$308.6 million at par (\$306.1 million at fair value), amounting to an aggregate Debt-to-Gross Asset Value ratio of 21.7%, down from 23.9% at the end of the previous quarter and significantly lower than where it stood at the end of the second quarter of 2024; 29.4%.⁹ Individual property Loan-to-Value (LTV) ratios ranged from 40% to 55%, with the average LTV on encumbered properties at 48%, down from 51% at the end of the second quarter one year ago. The Fund's in-place weighted average interest rate was 5.4% at the end of the quarter, up from 5.2% at Q1 quarter-end. The weighted-average interest rate went up in Q2 due to the April payoff of the loan on Poplar Glen in Columbia, MD, which had a fixed rate of 3.0%. The Q2 weighted-average interest rate was unchanged from one year earlier at the end of Q2 2024, when the rate was also 5.4%. The quarter's impact of marking-debt-to-market was 0.01%.

During the second quarter, the Fund paid off the \$23.5 million loan balance on Poplar Glen at maturity on April 10, 2025. The loan carried a fixed interest rate of 3.00%. The loan was paid off in anticipation of the property's upcoming sale, which closed on July 15.

Also during the quarter, the Fund agreed to a one-year extension of the loan on 150 Pierce Road in Itasca, IL, with a new maturity date of April 30, 2026. The new balance is \$11.6 million, and the loan retained its floating interest rate of 1-Month SOFR + 2.11% and 25-year amortization schedule.

The Fund also extended the loan on Beck46 in Minneapolis, MN, which represented the sole remaining maturity of 2025. The previous \$22.0 million interest-only loan had a floating interest rate of SOFR + 2.4%. The new balance is \$19.48 million at the same rate with interest-only payments. In addition, the Fund purchased a cap on SOFR at 4.29%. The new maturity date is November 19, 2026. The new loan has no prepayment penalty so the loan can 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

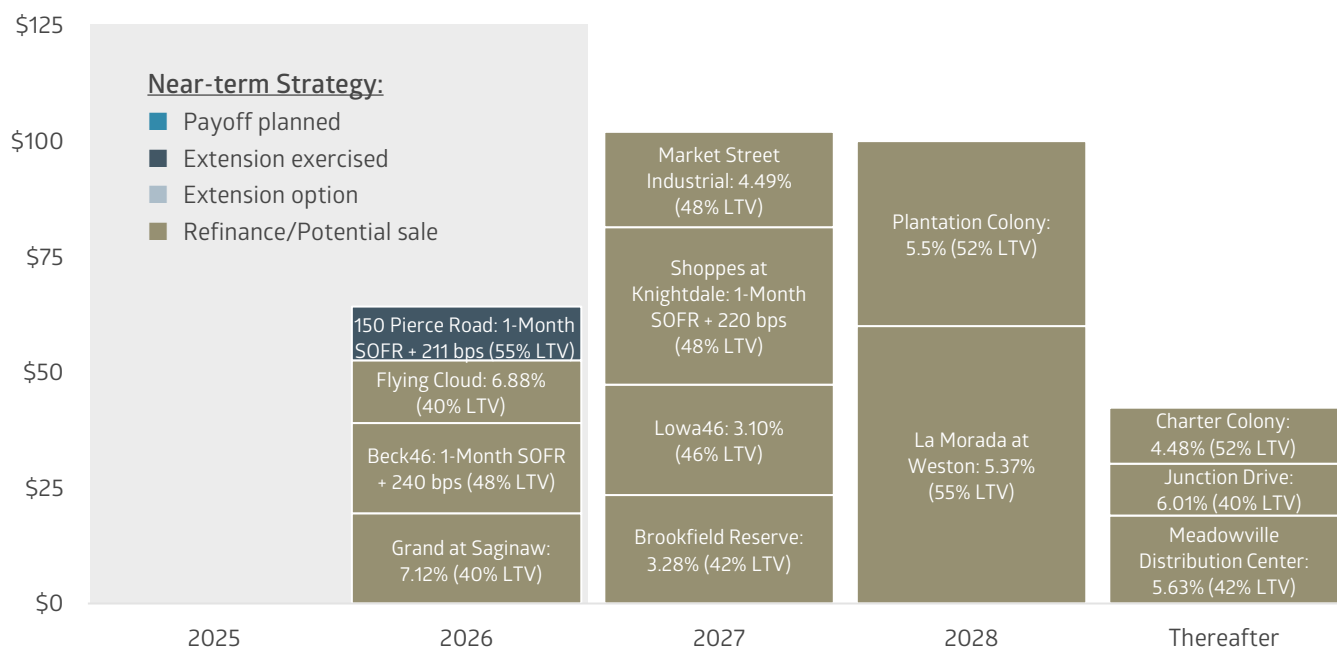
AS OF 6/30/2025⁹

Debt Outstanding (Fund's Economic Share)	\$281.2 mil.
Debt to Gross Asset Value	21.7%
% Fixed Rate Debt	81.2%
Property Portfolio Debt Service Coverage Ratio	3.1x
Weighted Avg. Interest Rate	5.4%
Fixed Rate: Weighted Avg. Remaining Term	2.9 years
Floating Rate: Weighted Avg. Remaining Term	1.4 years
# of Unencumbered Properties	16

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).

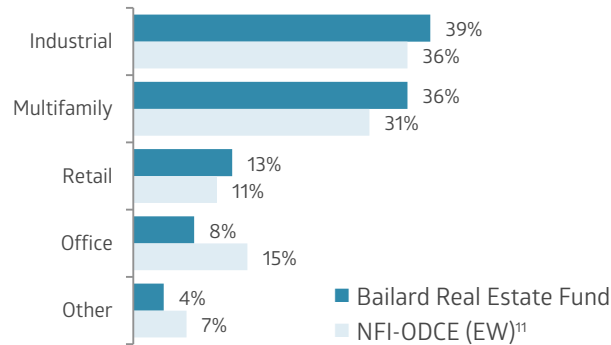
Debt Maturity Schedule⁹ AT PAR, AS OF 6/30/2025

Property Name	Full Market Value (millions)	Economic Share (millions)	Maturity Date
	Debt Balance	Debt Balance	
150 Pierce Road	\$11.6	\$9.3	Apr-2026
Beck46	\$19.5	\$15.0	Nov-2026
Flying Cloud	\$13.5	\$12.9	May-2026
Grand at Saginaw	\$19.6	\$12.7	Sep-2026
Brookfield Reserve	\$23.5	\$18.3	Jan-2027
Lowa46	\$23.9	\$21.5	Jan-2027
Shoppes at Knightdale	\$34.0	\$28.5	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	\$308.6	\$281.2	

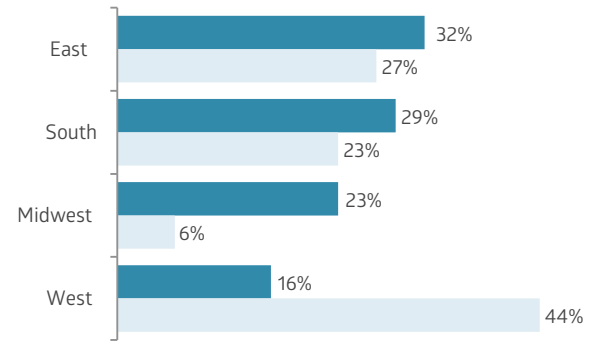


⁹ Per the NCREIF PREA Reporting Standards, leverage percentage is calculated as follows: the Fund's economic share of outstanding debt at par divided by the Fund's total gross assets (the Fund's economic share of gross real estate, cash and cash equivalents, and other assets). Chart reflects shaded areas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

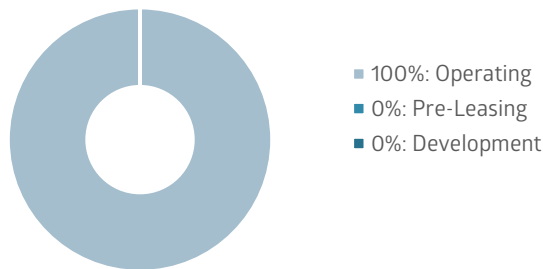
Property Type



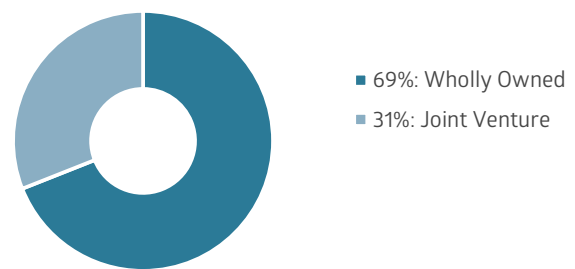
Geography



Property Life Cycle¹²



Investment Structure



Transaction Activity¹³

Easton Commons, Columbus, OH

Acquired December 2017

On April 17, the Fund completed the sale of Easton Commons at a gross price of \$7.75 million, \$1.05 million (15.7%) above its Q1 carry value of \$6.7 million. After closing costs and brokerage fees, net cash proceeds totaled \$7.2 million.

Town & Country, Orange, CA

Acquired January 2016

The Fund sold Town & Country on April 22 for a gross price of \$15.45 million, exceeding its Q1 carry value of

\$14.8 million by 4.4%. Net cash proceeds to the Fund totaled \$14.9 million. The Fund purchased the property in January 2016.

Subsequent to Quarter-End:

Poplar Glen, Columbia, MD

Acquired December 2025

On July 15, the Fund closed on the sale of Poplar Glen at a gross price of \$47.67 million—\$395,000 (0.8%) above its June 30 carry value of \$47.275 million. After loan payoff, closing costs, and brokerage fees, net cash proceeds totaled \$23.3 million.

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.

¹³ 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

The Bailard Real Estate Fund is set to undergo a leadership transition at year-end. This marks an important milestone in the Fund's growth trajectory and underscores the strength of its succession planning. Preston Sargent, President and CEO of the Fund, will be stepping back from day-to-day responsibilities on December 31, 2025, but will stay closely connected with the Fund as a Strategic Advisor and Board member. Since joining Bailard in 2014 with a mandate to strengthen and grow the Fund, he has built an outstanding team of real estate investment professionals and a rock-solid foundation for stability, growth, and long-term success.

Beginning January 1, 2026, Tess Gruenstein and James Pinkerton will jointly lead the Fund as Co-CEOs, each with distinct focus areas. James will serve as Head of Investments, overseeing the sourcing, management, and disposition of the Fund's investments and joining the BREF Board as an internal member. Tess will serve as Head of Portfolio Management, steering portfolio management and Fund operations, and will assume Preston's senior leadership role within Bailard, Inc. Tess and James have collaborated closely for years at Bailard on investments, operations, and key decisions, building a strong partnership that will continue to serve the Fund and its investors well. Both have spent their careers in the real estate investment arena.

As mentioned above, Preston will remain engaged with the Fund in two ways: first, as Strategic Advisor to BREF, providing guidance, input, and support to Tess, James, and other members of the team, as needed; and second, as an ongoing member of the BREF Board. In

these roles, he will continue to contribute to important decisions and help shape long-term plans, while James and Tess manage the Fund's daily operations and team.

The strategy, investment philosophy, and client relationships will remain very much as they are today. Preston hired each member of the senior real estate team during his tenure and has worked closely with them for many years. It is with pride and confidence that he now passes the reins to his team—reflecting Bailard's commitment to developing leadership from within and ensuring the continuity and expertise our clients have come to rely on.

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: C&E LOFTS

C&E Lofts is a 104-unit, multifamily property in Minneapolis, MN that was redeveloped from a historic former furniture showroom in 2012.

ENVIRONMENTAL – The historic redevelopment was able to reuse much of the existing structure's foundation and timber support, limiting the need for new materials beyond modernization, safety and finishes.

SOCIAL – Redevelopment was completed by a local, Minneapolis-based general contractor. Residents have access to fitness facilities, food-bearing rooftop gardens, and public transit via the Green Line Light Rail stop, one block from the property entrance.

GOVERNANCE – As with all portfolio properties, C&E Lofts is valued quarterly by MAI certified appraisers through an independent process managed by Altus, then reviewed and approved by the Fund's independent Board of Directors.

ENVIRONMENTAL HIGHLIGHTS

- All of the Fund's properties are now being monitored via Measurabl.
- 100% of the multifamily properties and all Fund-controlled commercial properties are now tracked in 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 onsite renewables.

SOCIAL HIGHLIGHTS

- The Fund continued prioritizing open communication—offering housing resources for residents, health and safety guidance for commercial tenants, and in-person events that strengthen tenant and community connections.
- The Responsible Contractor Policy reflects Bailard's commitment to working with well-trained, motivated, and fairly compensated workers to help ensure high-quality results.

2025 GOALS

- Maintain safe, healthy environments for tenants, onsite staff, and visitors through targeted initiatives.
- Enhance tenant satisfaction with building programs and amenities that support sustainability and well-being.

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 6/30/2025)

Location (MSA)	Investment	SF/Units	% Leased ¹	% Change From Previous Carry Value ²
Multifamily				
Baltimore	Poplar Glen	191 units	98%	-9.1%
Dallas/Ft. Worth	The Grand at Saginaw	235 units	94%	2.3%
Ft. Lauderdale	La Morada at Weston	367 units	87%	-0.9%
Ft. Lauderdale	Plantation Colony	255 units	96%	-0.2%
Milwaukee	Brookfield Reserve	193 units	97%	0.7%
Minneapolis-St. Paul	Beck46	143 units	98%	0.0%
Minneapolis-St. Paul	C&E Flats - Multifamily	118 units	97%	-0.3%
Minneapolis-St. Paul	C&E Lofts	103 units	100%	-0.4%
Minneapolis-St. Paul	Lowa46 - Multifamily	147 units	100%	-0.1%
		1,752 units	94%	-1.0%
Industrial				
Houston	Market Street Industrial	395,725 SF	100%	0.9%
Orange County	Fullerton Industrial	254,750 SF	100%	0.0%
Philadelphia	Highland Business Park	569,893 SF	100%	0.6%
Richmond	Meadowville Distribution Ctr	353,044 SF	100%	2.3%
Salt Lake City	South Logistics Center	328,607 SF	53%	0.5%
San Diego	Waterville Industrial	101,435 SF	100%	-0.1%
Savannah	Georgia Trade Center	416,450 SF	100%	1.0%
St. Louis	Westport Industrial Portfolio	651,009 SF	90%	0.2%
		3,070,913 SF	94%	0.6%
Office				
Baltimore	Nottingham 7941	57,782 SF	100%	0.0%
Chicago	150 Pierce Road	181,228 SF	89%	-2.8%
Minneapolis-St. Paul	Flying Cloud	201,495 SF	92%	-0.6%
San Jose	District 237	76,410 SF	100%	3.5%
Washington, DC	Fairview Park	117,065 SF	37%	-2.6%
		633,980 SF	88%	-0.1%
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%	3.7%
Minneapolis-St. Paul	Lowa46 - Retail	49,545 SF	93%	0.0%
Raleigh	Shoppes at Knightdale	323,113 SF	94%	3.1%
Richmond	Charter Colony	71,741 SF	100%	4.5%
Washington, DC	M Street	10,806 SF	68%	1.8%
		600,743 SF	94%	2.1%
Other				
Atlanta	Perimeter East Data Center	88,000 SF	0%	0.0%
Baltimore	Junction Drive	96,666 SF	100%	1.1%
		184,666 SF	60%	0.6%
TOTAL PROPERTY PORTFOLIO: \$1,235,475,000			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 \$44.5 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

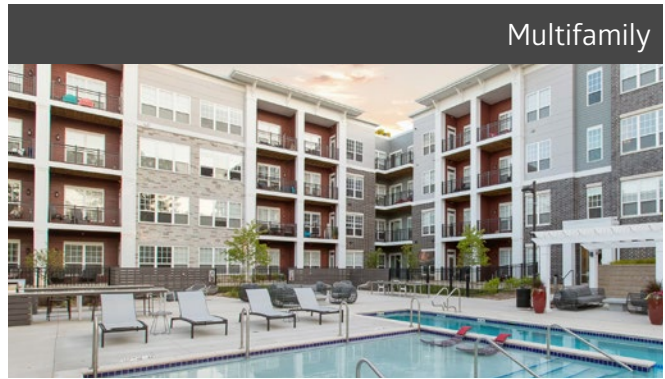


Beck46

4020 Nawadaha Blvd, Minneapolis, MN 55406
Acquired May 2022

Following its successful stabilization in Q1, Beck46 has seen strong leasing activity and ended Q2 at 98% occupied. During the quarter, the Fund completed an 18-month extension on the existing construction loan with Wells Fargo. Residents continue to actively use the building's amenities and express solid satisfaction for the onsite property manager.

Multifamily



Brookfield Reserve

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

Brookfield Reserve ended the quarter 97% leased, achieving a retention rate of 47% following a strong summer leasing season. The property's financial performance continues to benefit from the reduced tax reassessment, positioning it favorably for the second half of the year.

Multifamily/Retail



C&E Flats

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

C&E Flats ended the quarter with a strong occupancy rate of 97%. Both the broader market and the property itself continued to experience muted rent growth. Notably, no concessions were offered during Q2, highlighting the property's strong performance relative to the surrounding market. Additionally, resident retention remained robust, with an impressive 80% renewal rate on lease expirations.

Multifamily



C&E Lofts

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

Similar to Flats, C&E Lofts finished the quarter fully occupied at 100%, with no concessions offered during the period. Residents continue to appreciate the distinctive atmosphere and unique character that this property provides.

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 property is 94% leased, up from 91% last quarter. During the quarter, the asset achieved stabilization.

Damages related to the general contractor's failure to deliver the project on time remain outstanding. The Fund and its partner continue to actively pursue all legal remedies against the project's GC, Wade Construction.

Multifamily



La Morada at Weston

1201 Fairlake Boulevard, Weston, FL 33326
Acquired March 2000

The property ended the quarter at 87% leased. The lower-than-normal occupancy level is the result of the ongoing stair and stair-landing replacement project as units are held vacant to accommodate construction. The project remains on schedule for completion by year-end. Onsite property management has effectively supported tenants throughout this disruptive period, as evidenced by a 52% retention rate in the first half of the year.

Additional capital improvements including drainage and landscaping upgrades are planned to begin in the second half of 2025.

Multifamily/Retail



Lowa46

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

Like Beck46, Lowa46 ended the quarter with a 100% occupancy level. Residents continue to be satisfied with the tenant experience at the property though rent growth remains flat, consistent with modest demand across the submarket.

Multifamily



Plantation Colony

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

The property maintained strong leasing performance throughout the quarter, offering residents a distinctive option in the market. Its spacious units, well-kept common areas, and highly attentive property management team continue to make it an appealing choice compared to higher priced, new construction in the submarket.

The electrical panel replacement project has been completed and additional projects including building painting and parking lot repaving are planned to commence in early 2026.

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

On July 15, the property was sold to Friedkin Property Group for a gross price of \$47,670,000.

Industrial



Fullerton Industrial

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

Fullerton Industrial continues to offer long-term stability, supported by two credit-tenant leases and a nearly seven-year weighted average lease term (WALT). Ongoing tariff and trade uncertainty has made industrial users more tentative about expanding into new space, which has softened leasing demand in Southern California. While these market headwinds have contributed to a decline in the property's value over recent quarters, the Fund remains optimistic about the long-term outlook for the submarket. Limited land availability is expected to restrict new supply, supporting a recovery in leasing fundamentals over time.

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 remains a powerful engine for industrial growth in the region. Ongoing infrastructure investments by the Georgia Ports Authority are increasing port capacity and continue to spur new bulk distribution and warehouse development. To date, this new inventory has been readily absorbed by the market. Additionally, the recent opening of Hyundai's "megaplant" is generating further industrial demand in the area.

Industrial



Highland Business Park

300 Highland Drive, Westampton, NJ 08060
Acquired June 1999

Highland Business Park finished Q2 at 100% occupancy, unchanged from the end of the year. The portfolio of industrial buildings currently has a WALT of 4.0 years with no expirations until the second quarter of 2026.

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 Q2, the Fund negotiated an early seven-year renewal with Gulf Stream Marine and expects the lease amendment to be executed in Q3. The Fund also advanced entitlements for rail spur improvements to increase line capacity and add a transload road, which could be leased to a standalone user for additional revenue.



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 the United States. The company bottles Coca-Cola for the Southeast, Midwest, and mid-Atlantic portion of the country. The Richmond Industrial market is experiencing strong leasing traction for its transportation access and significant discount in cost compared to the pricier Northern Virginia region.



Industrial

South Logistics Center

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

The 328,607 square-foot industrial property in Salt Lake City's Northwest Quadrant is still 53% leased, unchanged from the previous quarter. The Fund continues to actively market the remaining vacancy, but weak demand in the market has made leasing extremely challenging. Market conditions remain soft, with elevated supply in the bulk distribution segment weighing on activity for large distribution facilities. Despite limited new construction, user activity is very low; significantly below the historically high levels seen in 2022 and 2023.



Industrial

Waterville Industrial

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

Waterville Industrial is leased to Honeywell until March 2026. The Fund and its joint venture partner, Murphy Development, are actively planning for Honeywell's move-out and the subsequent repositioning opportunities at the building. Demand in the area has softened, as logistics firms and manufacturers remain cautious about expansion amid ongoing tariff uncertainty. Nevertheless, the Fund is confident that the planned upgrades will enable the property to attract a new tenant once the outlook for global trade becomes clearer.

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 90%. The Fund signed a new 36-month lease with GRS Appraisal & Auction Services for 14,000 square feet. The Fund is aggressively marketing and negotiating with potential tenants for the remainder of the vacant space.

Office



150 Pierce Road

150 Pierce Road, Itasca, IL 60143
Acquired May 2015

The Fund recently secured an early lease extension with Jewel, the property's largest tenant, extending their 69,000 square foot lease through 2034.

Furthermore, the Fund negotiated a one-year extension with the lender, incorporating a partial paydown and capital reserve provision, which extends the loan maturity to April 2026.

Office



District 237

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

District 237 remains fully leased to CDK Global until March 2027. CDK does not occupy the building, and the property is available for sublease. The Bay Area office market is slowly recovering. While vacancy rates remain elevated, absorption is improving, particularly in San Francisco and Silicon Valley. This uptick is driven by the nascent AI boom, with companies favoring an in-office culture. To meet demand from AI companies for "powered-shell" space in R&D facilities, the Fund is pursuing a power upgrade. During the quarter, the Fund secured a PG&E commitment to increase power from 2 MW to 4 MW, with potential to increase to 8 MW.

Office



Fairview Park

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

Occupancy held steady at 37%, consistent with Q1. Despite ongoing challenges and uncertainties in the Washington, DC, market, the property continues to see tour activity. The building is well positioned with a variety of suite sizes and finish levels, helping to capture demand from multiple size users. Leasing activity in the 3,500 to 15,000 SF range remains the most active segment, and the property is well positioned to compete in it.

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



Flying Cloud

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

Flying Cloud concluded the quarter with a leased rate of 92%, following the signing of a 6,500 square foot, 65-month lease with Founders Properties and a 24-month extension with Haagen Dazs. The building automation system capital project was completed during the quarter, and 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 is no tenant turnover at the property during 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 asset is currently ahead of budget due to Prometric's three-month extension and is undergoing a property tax reassessment. The Fund is actively looking for potential tenants or buyers to take down the entire space.

Retail



Charter Colony

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

Charter Colony remains fully leased and has 15 years of remaining lease term with the property's anchor tenant, Publix. Given the asset's stability, the Fund is committed to strengthening tenant relationships and ensuring the property is well-maintained. Demand for the small shop remains elevated, exemplified by long-term renewals achieved for the three small shop users which have had lease expirations over the past year.

Retail



M Street

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

M Street remains 68% leased, unchanged from Q1. In August, Wells Fargo's new, higher lease rate will take effect, while the other two tenants are scheduled to vacate. Minor repairs and upgrades to the building's power system are planned after the two tenants vacate. The Fund is actively evaluating leasing strategies to attract new tenants and backfill the two suites.

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



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.

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 and, similar to the Mansfield property, the tenant manages all on-site utilities and maintenance.

Retail



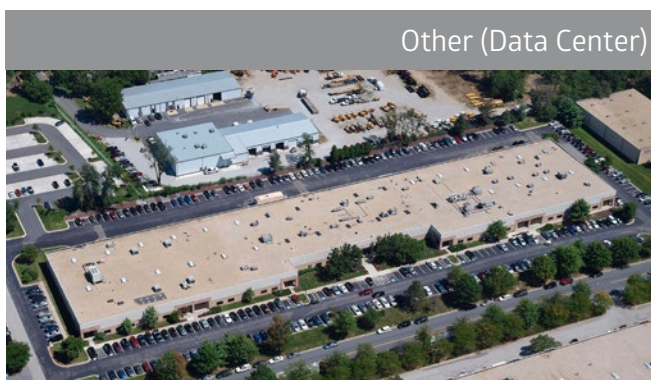
Shoppes at Knightdale

216 Hinton Oaks Boulevard, Knightdale, NC 27545

Acquired July 2019

Shoppes at Knightdale is currently 93.8% leased with one vacant box, the former Office Max space. Although lease discussions with the TJX brand concept (Sierra) stalled due to co-tenancy issues, the Fund has received two new proposals and anticipates finalizing a lease for the space in the third quarter. Ongoing demand for power centers in the Southeast is compressing yield rates, as investors look for higher-yielding opportunities that offer the opportunity for positive leverage (i.e., where the cost of debt is lower than the going-in return on investment).

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.

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.

Other (Data Center)



Perimeter East Data Center

40 Perimeter Center East, Dunwoody, GA 30346

Acquired May 2017

Perimeter East remains vacant. Progress on the disposition has been delayed by Georgia Power's slow issuance of the formal documentation outlining the power upgrade's scope and timeline. Several prospective buyers have expressed an interest in moving forward once this official letter is received, which is now anticipated in the third quarter. The Fund is working closely with its joint venture partner to expedite the process as much as possible.

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.

Bailard Real Estate Team

Portfolio Management



Preston Sargent
Fund President & CEO
EVP, Real Estate, Bailard, Inc.



Tess Gruenstein
SVP, Acquisitions &
Portfolio Management



James Pinkerton
SVP, Acquisitions &
Portfolio Management

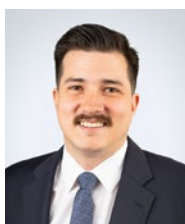


Alex Spotswood
SVP, Acquisitions &
Portfolio Management

Acquisitions, Asset Management & Research



David Abramson
Analyst



Geoffrey Esmail
Director



Risa Itow
Analyst



Jun Omiya
Analyst

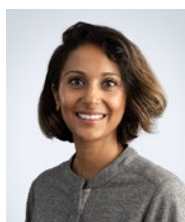


Juan Rascon-Borgia
Associate



Brian Urback
Asset Manager

Accounting & Investor Relations



Dipika Shull, CPA
Chief Accounting
Officer



Ben Lathrop
SVP, Director, Business
Development



Clayton Hagy
Private Markets
Associate

Fund Board of Directors

Brad Blake, Chair, Independent Director
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 June 30, 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.

This summary may not be reproduced in whole or in part and may not be delivered to any person without the prior written consent of Bailard. **Past performance is no indication of future results. All investments have the risk of loss.**