

Executive Summary as of September 30, 2025^{1,2}

Global equities extended their climb in the third quarter, buoyed by simmering trade tensions and central banks' dovish monetary policy. The Fed's first rate cut of the year amplified this tailwind, though fiscal fragilities and policy inconsistencies led gold (often seen as a refuge against uncertainty) to record highs. Political turmoil brought leadership changes to Japan and France, underscoring voter discontent amid stagnant growth. Core equity themes remained strong, with defense and financials retaining momentum while the AI thematic received fresh stimulus with significant investment pledges from tech giants. Resilient corporate fundamentals, attractive valuations, and secular tailwinds support our positive outlook for international equities.

Market Commentary^{1,2}

Global equities maintained their upward trend in the third quarter, supported by easing trade tensions and the continued shift toward looser monetary policy. In September, the Federal Reserve delivered its first benchmark rate cut of the year and signaled further easing, joining other central banks in the broader easing cycle to support growth. This dovish pivot provided a tailwind for equities, though it also amplified risks, boosting gold to a record high above \$3,800/oz—a 47% year-to-date surge through Q3, with the precious metal buoyed also by heightened geopolitical risks, policy uncertainties, and escalating debt levels. The Big Beautiful Bill signed on July 4th raised concerns of the U.S. government's fiscal health—deficits are expected to increase by a staggering \$2.4 trillion over the next decade. Domestically, President Trump intensified administration efforts to reshape federal agencies via high-profile dismissals and military deployments for civilian law enforcement, marking growing executive power and the weakening of American institutions.

On the trade front, despite several back-and-forth and inconclusive talks, negotiations with major trading partners have progressed more favorably than anticipated. Deals with the European Union, Japan, and South Korea concluded at a 15% baseline rate, a notable

reduction from the previously threatened 25 - 30%. Likewise, between US and China (though final agreements are still pending) rates have been watered down from as high as 145% to 30%. In contrast, talks with India and Brazil soured with 50% tariffs, ostensibly to penalize India's ongoing Russian oil purchases and Brazil's prosecution of its former leader.

Political instability was expressed via internal opposition toward incumbent leaders in Japan and France, raising concerns on economic growth and policy continuity (with leadership transitions unfolding shortly after quarter-end). In Japan, the Liberal Democratic Party's loss of its coalition majority—its first dual-chamber defeat since 1955—led to Prime Minister Ishiba's resignation, the nation's third leadership change in five years amid stagnant wages, persistent inflation, and frayed U.S. ties. Similarly in France, President Macron's appointment of ally Sébastien Lecornu was his fifth prime minister in just under two years, highlighting the country's deepening political crisis. Lecornu's tenure proved to be short-lived amid a fractured parliament and rising public discontent. Yet, Norway offered a striking contrast, with the Labour Party under Jonas Gahr Støre securing re-election by championing welfare stability and bolstering national security.

¹ Unless otherwise indicated, developed and emerging market returns and comments are based on the respective MSCI EAFE or Emerging Markets indices (U.S. dollar terms on a total return basis, reinvesting dividends after the deduction of withholding taxes). ² Regional, country, and sector returns and comments cited in the composite commentary section are based on their respective MSCI regional and country indices (U.S. dollar terms on a total return basis, reinvesting dividends after the deduction of withholding taxes). Any references to specific securities are included solely as general market commentary and were selected based on criteria unrelated to Bailard's portfolio recommendations or the past performance of any security held in any Bailard account or fund. **Past performance is no indication of future results.** All investments involve the risk of loss. Please see page 3 for additional performance data and page 4 for important disclosures.

Composite Commentary^{3,4}

The Bailard EAFE Plus Composite's 5.59% net of fee return nicely outpaced the MSCI EAFE Index developed market benchmark return of 4.77% for the quarter, while the MSCI ACWI ex USA Index rose 6.89%. American stocks, aided by the resurgence of several of its largest tech/adjacent names, were stronger, with the S&P 500 rising 8.12%. A similar story played out in China, with its largest firms leading strength in its country index (+20.7%) and the broader MSCI emerging markets index (+10.6%). Among developed markets, the quarter's leaders ranged across the globe, including Spain (+12.9%), Netherlands (+9.6%), and Austria (+9.1%) in Europe; Canada (+9.7%); Hong Kong (+9.1%) and Singapore (+8.8%) in Asia. Similarly, emerging markets spanned Asia (China), Middle East (Egypt +24.8%), South America (Peru +23.1%), and Africa (South Africa +20.4%, all country indexes are total returns in USD, net dividends). The only developed markets to fall were Denmark (-13.1%, with Novo Nordisk dropping 20.8%), Germany (-1.1%), and New Zealand (-0.2%), while India (-7.6%) was a notable emerging underperformer. Consumer Staples (-0.9%) was the only sector to fall, with the leaders having a cyclical bent: Financials (+8.6%), Consumer Discretionary (+6.7%), and Materials (+6.0%).

Country allocation was broadly correct in catching leaders Spain and China, as well as strength in Taiwan and Korea. The portfolio's sector deviations to EAFE weights were relatively small and had minimal impact on portfolio active performance.

Strategy Review⁵

With equity markets steadily stepping higher, helped by trade uncertainty at a simmer rather than a boil, our global volatility measure has settled one standard-deviation below its long-run average. As a result, the country model's primary focus is on momentum. This has generally served well, with few changes in the top-ranked developed markets through the quarter: Singapore, Hong Kong, Austria, Spain, Italy, and Canada remain. At September's end, Norway and Germany fell from this top tier, replaced by the Netherlands and Israel. Limited ranking shifts meant that many of the quarter's Strategy moves were more stock- or industry-driven; sells did lead to a noticeable

reduction in Germany's overweight, as well as widening of Switzerland's underweight; purchases reduced Japan's underweight, brought Hong Kong from slightly underweight to slightly overweight, and added to out-of-EAFE Canada. Sector active positions were more modest against EAFE, with Information Technology (+2.3%) most overweight and Financials (-3.3%) most underweight.

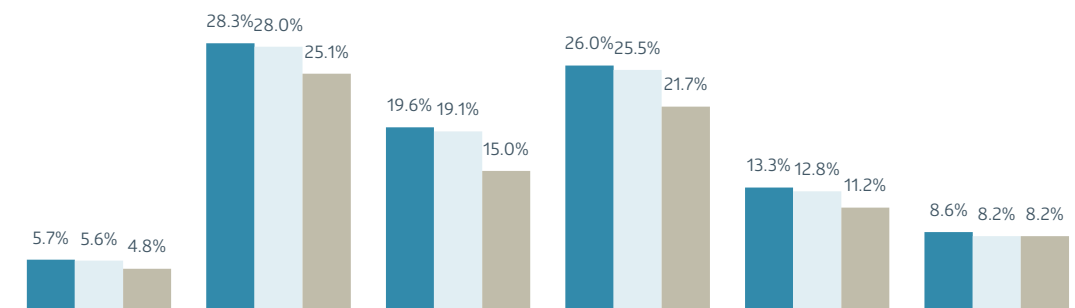
Investment Outlook

Our base case is that the past quarter's themes will continue through year-end: responsive monetary policy (most exemplified by U.S. easing), simmering trade tensions, and elevated political uncertainty. A marked shift in any one of these could impose significant pressure on equity markets: heightened inflation concerns leading to more restrictive rates, for example, or escalating trade actions. By contrast, a yet-elusive ceasefire or peace deal in the Russia/Ukraine or Israel/Gaza conflicts could relieve one area of geopolitical unease. Company fundamentals have so far showed remarkable resilience to a broad range of uncertainties and may continue to do so, delivering solid returns for investors. Non-U.S. equities may continue to benefit from shifting perspectives on U.S. politics and its dollar, and feature a backstop of reasonable valuations—still cheaper than U.S. peers in every sector, and overall at a 40% discount, based on trailing earnings. They also participate in a variety of secular themes, including expanding defense budgets, infrastructure spending, and artificial intelligence applications and buildouts. Political calls for better productivity, more efficient investment, and improved corporate governance are additional long-term tailwinds (if perhaps vague). We remain broadly constructive on the many opportunities within the asset class, while cognizant of the risks outlined above, and nimble to adapt to the world's inevitable shifts.

³ Regional, country, and sector returns and comments cited in the composite commentary section are based on their respective MSCI regional and country indices (U.S. dollar terms on a total return basis, reinvesting dividends after the deduction of withholding taxes). Any references to specific securities are included solely as general market commentary and were selected based on criteria unrelated to Bailard's portfolio recommendations or the past performance of any security held in any Bailard account or fund. ⁴ The Bailard International Equity Strategy is implemented across two separate composites. The Composite performance commentary reflects the EAFE Plus Composite, which represented 21.3% of total strategy assets as of September 30, 2025. ⁵ Data regarding holdings reflect ownership information as of September 30, 2025 and are not intended to represent any past, present, or future investment recommendations. Holdings are subject to change.

TRAILING PERFORMANCE⁶ total returns for periods ending September 30, 2025

- Composite Gross of Fees
- Composite Net of Fees
- MSCI EAFE Index



Active Return

	Quarter	YTD	1 Year	3 Year	5 Year	10 Year
Composite (Gross) vs. Index	0.92%	3.17%	4.56%	4.30%	2.10%	0.40%
Composite (Net) vs. Index	0.82%	2.81%	4.12%	3.83%	1.68%	-0.01%

3-Year Performance Statistics

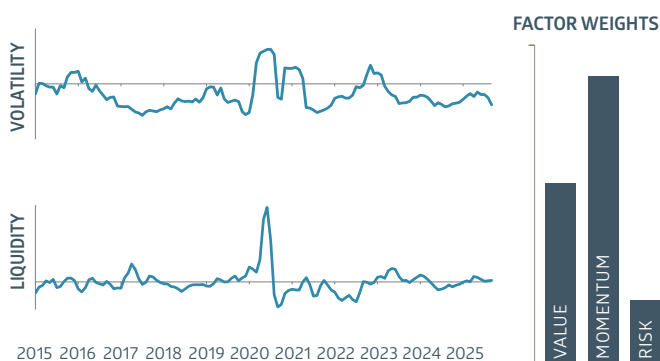
	Composite Gross of Fee	Composite Net of Fee	MSCI EAFE Index	Composite Gross of Fee	Composite Net of Fee	MSCI EAFE Index
Standard Deviation	12.8%	12.8%	13.4%	15.3%	15.3%	15.8%
Tracking Error (Net of Fee) vs.			1.9%			2.2%
Information Ratio (Net of Fee) vs.			1.98			0.77

5-Year Performance Statistics

ENVIRONMENTAL VARIABLES AND STYLE FACTORS

as of September 30, 2025

The charts below represent two variables that influence our assessment of the global investment environment and, in turn, dynamically affect the factor weights that are determinant in country selection.



Sources: MSCI, Bailard.

REPRESENTATIVE PORTFOLIO, BAILARD INTERNATIONAL EQUITY STRATEGY⁷ as of September 30, 2025

Portfolio Summary

Weighted Average Market Cap	\$119.9B
Wtd. Avg. P/E Ratio (trailing 12 mo.)	15.9x
# of Holdings	185
# of Developed Markets	20
# of Emerging, Frontier, and Other Markets	5
% Developed Markets	92.3%
% Emerging, Frontier, and Other Markets	7.0%
% Cash and Equivalents	0.7%

Regional Weights

Continental Europe	46.6%
Japan	19.7%
United Kingdom	13.7%
Pacific ex-Japan	8.6%
Emerging Markets	7.0%
Other Developed	3.7%
Cash and Equivalents	0.7%

Sources: FactSet and Morningstar.

⁶ Performance data shown reflect the EAFE Plus Composite. Three-, five-, and ten-year return statistics are annualized. ⁷ Data regarding holdings reflect ownership information as of September 30, 2025 and are not intended to represent any past, present, or future investment recommendations. Holdings are subject to change.

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Risks

In addition to the possible loss of investment value due to general market price movements, international investments might suffer losses due to unfavorable exchange rate movements or economic and/or political instability in foreign countries. In some cases, financial statement information might not be readily available or might not be reliable for certain foreign markets. International accounting standards might be different from U.S. accounting standards, and financial data might be subject to misinterpretation. Trading in international markets can be more expensive than trading in domestic markets. Stock markets of certain foreign countries, particularly emerging and frontier markets, may be illiquid, and settlements can be delayed. Emerging and frontier markets have greater risks and can have higher transaction costs than their developed market counterparts. There can be no guarantee that this or any investment strategy will achieve its objective.

Performance Disclosures

Composite Definition: The Bailard International Equity Strategy is implemented across two separate composites with a total AUM of \$1.2 billion as of September 30, 2025. All composite data and performance presented in this publication reflect the EAFE Plus Composite, previously called the Bailard International Equity Composite (the "Composite"), which consists of a discretionary, fee-paying account that is invested primarily in non-U.S. securities both in developed and emerging markets. As of September 30, 2025, the Composite consisted of a single mutual fund account with a market value of \$257.3 or 21.3% of the strategies' assets, which has been managed using a quantitative methodology in an advisory or sub-advisory capacity since 1995. Prior to that time, the account was managed using a different strategy. The Composite's returns are presented both gross and net of management fees, and assume reinvestment of dividends and other earnings. The returns also reflect transaction costs. Three-year, five-year and ten-year returns are annualized. Composite returns do not reflect a fiduciary fulfillment fee payable to Bailard (where applicable), or custody and other expenses not payable to Bailard which the composite account incurred.

Through June 2009, gross of fee performance was calculated by grossing up the NAV performance by the annual expense ratio. Through March 2006, net of fee performance was calculated by netting down the gross return by a model fee of 0.95% on first USD 250M (applied by reducing monthly returns by 1/12 of 0.95%); 0.90% per annum thereafter. From April 2006 through June 2009, net of fee performance was calculated by netting down the gross return by a model fee of 0.475% on first USD 250M (applied by reducing monthly returns by 1/12 of 0.475%); 0.45% per annum thereafter. This model fee represents the highest management fee for the composite. From July 2009, both gross of fee and net of fee returns are taken directly from Bailard's portfolio accounting system, and net of fee performance was calculated by netting down the gross return by our actual management fee as of the date paid from each account. The composite's complete return history and a complete list of Bailard's composites are available upon request.

Individual account management and construction will vary depending on each client's investment needs and objectives, including liquidity needs, tax situation, risk tolerance, and investment restrictions. Individual accounts may not have the same management fees, expenses, diversification, distributions, cash flows and currency hedging policies as the Composite account. As a result, an account's actual performance may differ from the performance presented in this piece due to among other things, timing of investment, contributions and withdrawals, and the client's restrictions, such as

restrictions of currency hedging. In addition, performance does not reflect the effects of taxation, which can result in lower returns to taxable investors. An investment in this Strategy involves risk of loss, and the value of an investment may decrease as well as increase. No representation is made that any account will obtain similar results to those shown here.

Other Performance Definitions: Standard deviation is the annualized standard deviation of monthly returns. "Information ratio" is the ratio of added value to tracking error. "Tracking error" is the annualized standard deviation of monthly added value, where added value is [Composite return – benchmark return]. Valuations are computed and performance reported in U.S. dollars.

Market Indices: The MSCI EAFE, MSCI Emerging Markets, and MSCI ACWI ex USA indices are free float-adjusted market capitalization indices. The MSCI EAFE Index is designed to measure equity market performance of international developed markets. The MSCI Emerging Markets Index is designed to measure equity market performance of international emerging markets. The MSCI ACWI ex USA Index is designed to measure equity market performance in international developed (excluding the U.S.) and emerging markets. These indices are presented in U.S. dollar terms on a total return basis, reinvesting dividends after the deduction of withholding taxes (if any). The indices are unmanaged and uninvestable and do not reflect any transaction costs.

Unlike the MSCI EAFE Index, the Composite account invests in emerging and frontier markets. Unlike the MSCI Emerging Markets Index, the Composite account invests in developed and frontier markets. Unlike the MSCI ACWI ex USA Index, the Composite account can invest in frontier markets. Unlike all of these indices, the Composite account invests in cash equivalents, depository receipts and exchange-traded funds, and may engage in currency hedging. The Composite often employed different country weights than these indices. The Composite's country weights, security weights, and security holdings may differ materially from these indices.

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

Other Disclosures

The information in this publication is based primarily on data available as of September 30, 2025 and has been obtained from sources believed to be reliable, but its accuracy, completeness and interpretation are not guaranteed. In addition, this publication contains the opinions of the authors as of that date and such opinions are subject to change without notice. We do not think this publication should necessarily be relied on as a sole source of information and opinion. This publication is not a recommendation of, or an offer to sell or solicitation of an offer to buy any particular security or investment product. It does not take into account the particular investment objectives, financial situations or needs of individual clients. Bailard cannot provide investment advice in any jurisdiction where it is prohibited from doing so.

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