Bailard Real Estate Fund
Quarterly Fund Summary

Q3 2025

West Willows Technology Center
Redmond, WA

For the quarter ending September 30, 2025:

Bailard Real Estate Fund Q3 Highlights

PERFORMANCE

The Fund's quarterly NCREIF-based return was 0.9% (gross) and 0.7% (net of management fee). For the year ended September 30, 2025, the Fund earned a gross return of 3.3%, and 2.5%, net. Since inception in April 1990, the Fund's annualized returns are 8.7% (gross) and 8.2% (net).[1]

INCOME

As of September 30, 2025, the Fund's property portfolio was 92% leased, unchanged from Q2 quarter-end.[2] The total portfolio's Net Operating Income (NOI) decreased by 14.8% year-over-year (Q3 2025 vs. Q3 2024). Measured on a "same-store" basis (excluding properties not owned or not yet operational for the entire measurement period), NOI decreased by 1.5% year-over-year.

BALANCE SHEET

As of quarter-end, the Fund held $118.7 million in cash and cash equivalents, or 8.6% of the Fund's Gross Asset Value (GAV).[3] Cash and cash equivalents are inclusive of the $16.7 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 improvements. The aggregate loan-to-value (LTV) ratio for the Fund stood at 21.6% at quarter-end, down from 21.7% at the end of Q2 2025, and down 7.0% or 700 basis points[4] from 28.6% one year ago at the end of the third quarter of 2024.[5] The Fund's in-place weighted average interest rate was 5.4% at the end of the quarter, unchanged from Q2 quarter-end and down 20 bps from one year earlier at the end of Q3 2024, when the average in-place interest rate was 5.6%.

A LOOK BACK

The Bailard Real Estate Fund turned in another positive (albeit modest) quarter in Q3 2025. This was the fifth straight quarter of positive returns for the Fund. The Fund generated a total quarterly return, including income, of 0.9% (gross of fee) and 0.7% (net). The Bailard Real Estate Fund's returns bettered the NCREIF Fund Index - Open-end Diversified Core Equity Real Estate (Equal-Weight) (NFI-ODCE (EW)) quarterly returns (0.65%, Gross and 0.46%, Net), by 0.24% (24 bps). The Fund's net returns for one-year, three-year, five-year, and ten-year time periods were 2.5%, -3.9%, 4.8%, and 7.2%, respectively.

The Bailard Real Estate Fund's returns have disappointed the past few years but, on a relative basis, compare favorably to the NFI-ODCE (EW) benchmark over all time periods beyond one-year; specifically underperforming the benchmark for the one-year by 50 bps but outperforming over three-, five-, and 10-year horizons by 251 bps, 205 bps, and 279 bps, respectively.

On the operations front, as reflected in the table on the following page, the Fund continues to perform well, and third quarter leasing remained encouraging. Office assets ended the quarter at 88% leased (no change from the previous quarter, but up from 77% year-over-year.) Retail properties saw leased-% slip

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 15-16 for additional performance information and important risks and disclosures on the last page.*

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

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

4 A basis point (bp) is 0.01%.

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

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.

BREF Quarterly Leasing Activity[6]

	Current Quarter Q3 2025			One Quarter Ago Q2 2025			One Year Ago Q3 2024		
	New	Renewal	% Leased	New	Renewal	% Leased	New	Renewal	% Leased
Office									
Square Feet	0	0	88%	5,865	4,071	81%	0	0	80%
# of leases	0	0		1	1		0	0	
Retail									
Square Feet	0	3,000	91%	0	4,509	96%	0	2,200	96%
# of leases	0	1		0	2		0	1	
Industrial									
Square Feet	74,219	79,553	95%	0	0	94%	0	0	94%
# of leases	2	1		0	0		0	0	
Multifamily									
Retention Rate		54%	92%		67%	94%		61%	94%

from 94% to 91% quarter-over-quarter, with just one 3,000 square-foot renewal completed during the quarter. The industrial portfolio ended Q3 at 95% leased (up 1% from 94% at the end of Q2), after completing two new leases (74,219 square feet) and one renewal (79,553 square feet). And, finally, the leased-% of Bailard's multifamily portfolio slipped 2% from 94% to 92% during Q3, and the tenant retention ratio also declined from 58% to 54% quarter-over-quarter. Overall, the portfolio continued to perform well in a competitive market with steady, but not robust, property fundamentals.

The Fund completed an important disposition during the third quarter: Poplar Glen Apartments, a 39-year old, 191-unit apartment property in Columbia, MD, which had been in the portfolio for nearly 20 years, was sold on July 15 for a gross price of $47.67 million, and generated (after closing costs/fees and the mortgage loan pay-off), net proceeds to the Fund of $23,291,000. In addition to the property's age that created significant risk of unanticipated and unanticipatable capital expense and maintenance costs, another key driver of the decision to sell Poplar Glen was the uncertain jobs environment in/around the nation's capital, and especially for federal workers. Now that the government shutdown is entering its sixth week… and with no end in sight, it appears that the real estate team's concerns may have been well-founded.

Perhaps the most exciting news for the Fund in the third quarter was the completion of three very promising acquisitions that have the potential to create significant value for the Fund over the next several years:

- 750 Curtiss, a multifamily development project in Downers Grove, IL,
- El Dorado Self-Storage, a self-storage development in El Dorado Hills, CA, and
- West Willows Technology Center, a fully leased Data Center in Redmond, WA.

These were the Fund's first acquisitions since August 2023. You'll find short summaries of each investment in this report's Transaction Activity section (page 22), and full Acquisition Profiles available on our website.

On Wednesday, September 17, the Federal Open Market Committee (FOMC) responded to shifting economic conditions and lowered the benchmark rate by 0.25% (25 bps) from a range of 4.25% to 4.5% to a range of 4% to 4.25%. It was the FOMC's first rate cut of the year, and it came against a backdrop of unprecedented political pressure. For the past several months, President Trump has repeatedly berated Fed Chair Powell for not moving fast enough to implement significantly lower interest rates. The President has frequently mused about firing the Fed Chair, and last month he attempted to fire Fed Governor Lisa Cook on the basis of allegations of mortgage fraud. It is also true that Ms. Cook has been one of the more "hawkish" members of the FOMC. Trump's attempt to fire Ms.

6 The Fund's leased percentage is based on NCREIF-PREA Reporting Standards lifecycle 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.

Cook was the first-ever such removal effort and has been temporarily blocked by a federal appeals court. Fed officials had been reluctant to lower rates up until then because the labor market had looked firmer and inflation was proving stubborn. When announcing the decision, Fed Chair Powell said that "There's no risk-free path." Central bank officials have been trying to navigate an uncertain landscape with shifting government policies and mandates. At the same time, reliable and consistent data from trusted sources is scant, in large part due to the federal government shutdown that began on October 1.

As a result of the shutdown, the Bureau of Labor Statistics did not publish its monthly data as planned in early October, leaving global markets—and the Federal Reserve—without an important puzzle piece to complete the picture of the U.S. economy's direction. This is happening just as investors are trying to understand the labor market's health and anticipate the timing and nature of the Fed's next move, amid lingering concerns about inflation. Torsten Sløk, chief economist at Apollo Global Management put it this way in an early October *Financial Times* article, "It's a wildly unusual time. Labour markets are weakening, but all other indicators remain strong... and now we are flying blind."[7]

The Fed has been debating all year how to evaluate myriad data points and manage the tradeoff between its two mandates – price stability and full employment. In making the decision to cut rates, it appears that the FOMC made the bet that the risks of further deterioration in the labor market would be more difficult to deal with than sticky above-target inflation.

Subsequent to quarter-end, on October 29, the FOMC cut the federal funds rate another 0.25%. The benchmark rate is now in a range of 3.75% to 4.0%. In his comments after the meeting, Chair Powell cast doubt on the potential for another rate cut in 2025. If officials face high uncertainty about the outlook for the economy, "that could be an argument in favor of caution" about cutting rates again, Powell said, and then added, "What do you do if you're driving in the fog? You slow down."[8]

At this point, it looks like the Fed is poised to pause... at least until the "fog" clears. This is important for real estate because so many players in the industry are so dependent on readily available and reasonably priced debt capital. The current cost of debt, both floating and fixed rate, even after the recent cuts, feels "neutral" for real estate; it's neither a shot in the arm for real estate buyers and sellers to drive greater transaction activity, nor is it an additional drag on the slow and steady recovery. If the Fed were to cut short-term rates another 50 to 100 basis points and the 10-Year U.S. Treasury, which is used so prevalently to price longer-term (i.e., 5, 7, and 10-year) fixed rate debt, were to settle closer to 3.5% rather than where it is today (+/- 4%), then that would likely be a catalyst for meaningful improvement in investment activity. Bailard Real Estate Fund shareholders are well aware that the Fund has never been an aggressive consumer of debt. But the debt landscape is still critically important for the Fund because real estate transaction markets march to the lending community's drumbeat.

During the third quarter, the U.S. stock market continued its relentless climb to new heights, driven by robust corporate earnings and sustained enthusiasm for artificial intelligence (AI) technologies. The S&P 500 Index increased 7.8% from the end of Q2, closing at 6,688, while the tech-heavy Nasdaq ended the quarter at 22,780, an 11.8% increase quarter-over-quarter. Overall, Q3 showcased the market's resilience, with technology stocks continuing to drive growth and investor euphoria. Subsequent to quarter-end, equities markets stretched even further. During October, both the S&P 500 and the Nasdaq hit multiple new all-time highs and ended the month at 6,840 and 23,724, up another 2.3% and 4.1%, respectively.

The 10-Year Treasury yield started Q3 at 4.26%, peaked at 4.50%, and closed the quarter at 4.16%. Meanwhile, the 2-Year Treasury started the quarter at 3.78%, hit a high of 3.95%, and ended the quarter at 3.60%. The "spread" between 10-Year yields and 2-Year yields (56 bps at quarter-end and 50 bps at the end of October) indicates a normalized yield curve, as it has been for over a year.[9]

7 Financial Times (October 2, 2025). US government shutdown leaves traders 'flying blind' on economic data. https://www.ft.com/content/3d7067f4-6eb2-43cc-bdbd-1fd116cfc805.
8 Federal Reserve (October 29, 2025). Transcript of Chair Powell's Press Conference. https://www.federalreserve.gov/mediacenter/files/FOMCpresconf20251029.pdf.
9 Federal Reserve Bank of St. Louis. Federal Reserve Economic Data (FRED). https://fred.stlouisfed.org. Please note data sources have been updated, and figures may differ from prior Shareholder Reports.

A year ago, the Bailard Real Estate Fund Quarterly Shareholder Report highlighted the Fed's first rate cut after 15 months and eight straight FOMC meetings during which it left the benchmark rate unchanged at a range of 5.25% to 5.5%, its highest level since February 2001. On September 18, 2024, the Fed cut the benchmark rate by a larger-than-expected 50 bps. At the time, Chair Powell characterized the move this way: "The U.S. economy is basically fine... our intention is really to maintain the strength that we currently see in the economy."[10]

At the time, we recognized that the immediate tangible impact of the cut on real estate and the broader economy would be negligible. We expected a positive impact on investor sentiment, which would be an important first step to break the logjam in real estate transaction activity that had been in the doldrums for two years. How did that work out? Q4 2024 transaction activity jumped to $97 billion from $66 billion in Q3. It then fell off in Q1 2025 to $63 billion, but then climbed again to $81 billion and $87 billion the past two quarters, respectively. For context, transaction volume hit a low of ~$40 billion in Q2 2020 during the early stages of the pandemic. Eighteen months later, transaction activity peaked in Q4 2021 at a 14-year high of approximately $250 billion... 190% of the current quarter's volume.

That same Q3 2024 report quoted an Altus Group research piece that framed the relationship between the economy, real estate, and interest rates thusly: "It's also important to note that while commercial real estate [CRE] is influenced by (and does influence) the economy and financial markets, it doesn't move in lockstep with the broader economy and capital markets. While some market environments are objectively good or bad for CRE, the current market is a bit of both – some shade of grey. Rate cuts are also not going to impact all property types the same. [...] It may boost transaction activity for some of the other sectors, but if there are fundamental problems within a sector's operating performance, lower rates will not, on their own, be a remedy."[11] That perspective was accurate a year ago, and it still is.

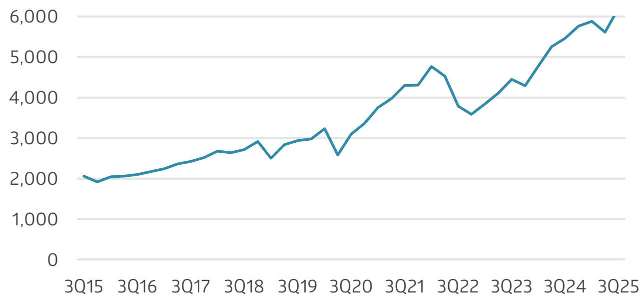
The Fed will continue to do its best to find a neutral rate (i.e., a Fed Fund's rate that neither stimulates nor restricts economic growth), while market participants carry on navigating the uncertain terrain in front of them. Regardless, in the immediate future for real estate investors, capitalization rates will continue to be driven by investment fundamentals, perceptions of risk, and investor confidence. At a more micro level, cap rates will be influenced by asset- and market-specific quantitative and qualitative factors. And, in the current environment, careful market and asset selection will be more important than ever for investors seeking to outperform.

10 Federal Reserve (September 18, 2024). Transcript of Chair Powell's Press Conference. https://www.federalreserve.gov/mediacenter/files/fomcpresconf20240918.pdf.
11 Altus Group (August 22, 2024). Will Fed rate cuts revive the US CRE market? https://www.altusgroup.com/insights/will-fed-rate-cuts-revive-the-us-cre-market/

Real Estate Economic & Market Conditions

quarter ending 9/30/2025

S&P 500 Index[1]

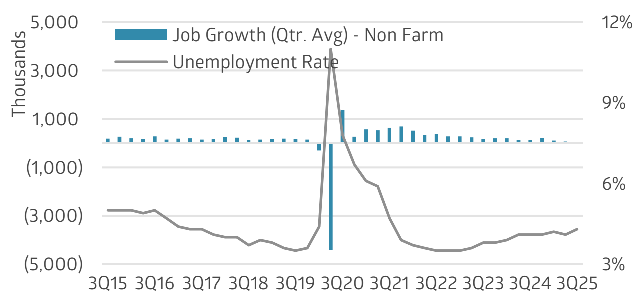


- The S&P 500 concluded Q3 2025 at 6,688, marking an 8.1% increase for the quarter and 16.1% year-over-year.
- The top performing sector during the quarter was Information Technology (13.0%), followed by Communication Services (12.6%).
- The underperforming sector during the quarter was Consumer Staples, down 2.6%.

Real Gross Domestic Product (GDP) Growth

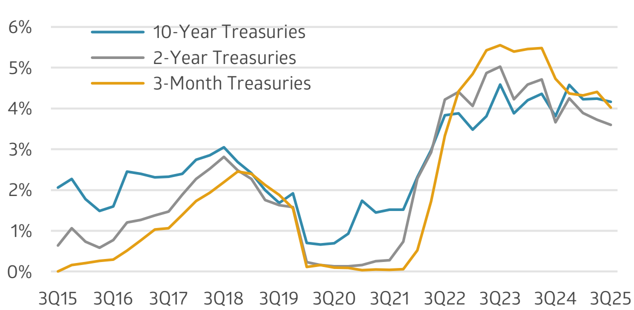
- *Note: Q3 2025 GDP data were unavailable at the time of this writing due to the U.S. government shutdown. The chart at left reflects Q2 2025 data.*
- During September 2025, Real GDP grew at an estimated annualized rate of 2.7%, 70 basis points[2] more than Q2 2025.

Job Growth and Unemployment Rate



- *Note: July and August data are shown; September data were unavailable due to the U.S. government shutdown.*
- Job growth slowed, with July and August gains of 79,000 and 22,000, down 7.6% from Q2 and 62% year-over-year.
- The services sector stalled in September, as orders slowed and employment contracted for a fourth month. Energy and technology sectors also saw job cuts.
- Unemployment was 4.3% in August, up 20 bps from Q2 and 10 bps year-over year.

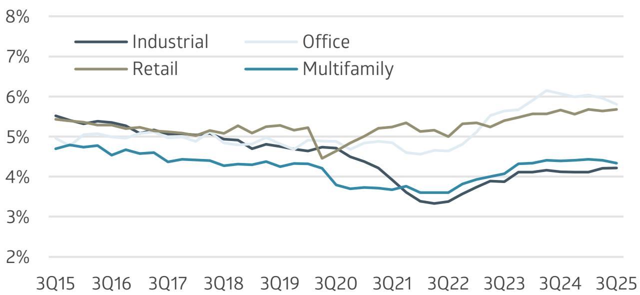
U.S. Treasury Yields



- The 10-Year Treasury finished Q3 at 4.16%, down 8 bps from Q2, and an increase of 35 bps year-over-year.
- At the end of Q3, the 2-Year Treasury yield was 3.60%, down 12 bps quarter-over-quarter, and a decrease of 6 bps from one year ago.
- The 3-Month Treasury finished Q3 at 4.02%, a decline of 39 bps from Q2, and down 71 bps from a year ago.

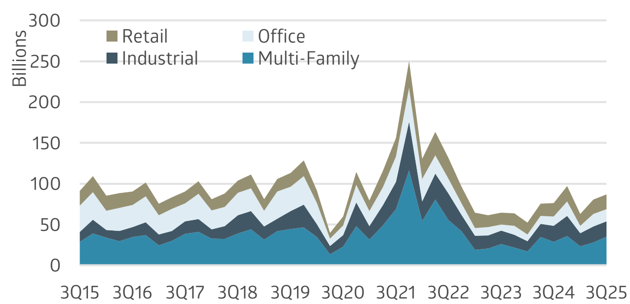
Sources: FactSet, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Federal Reserve Bank of St. Louis. Please note data sources have been updated, and figures may differ from prior Shareholder Reports.
1 Returns of the S&P 500 Index are presented as price change only. 2 A basis point (bp) is 0.01%.

Capitalization Rates[3]



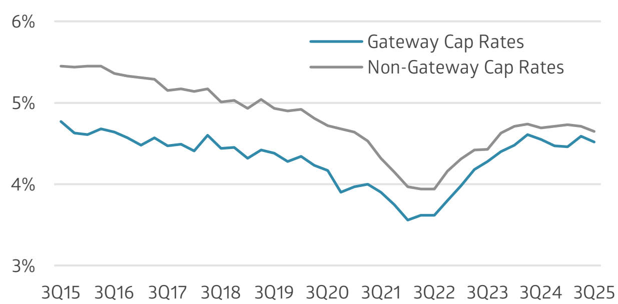
- According to NCREIF, cap rates at the end of Q3 for industrial, office, retail, and multifamily properties were 4.2%, 5.8%, 5.7%, and 4.3%, respectively.
- During Q3, industrial cap rates increased by 1 bps and retail cap rates rose by 4 bps, while office cap rates declined by 15 bps and multifamily cap rates decreased by 7 bps.
- Year-over-year, industrial cap rates increased by 10 bps, while retail rose by 2 bps. Multifamily cap rates decreased by 5 bps, and office cap rates fell by 26 bps.

Investment Volume



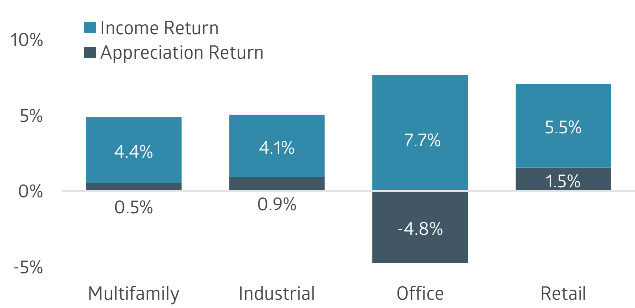
- In Q3, total transaction volume across the four main property types reached $86.9 billion, an 8% increase quarter-over-quarter, and a 14% increase year-over-year.
- Multifamily contributed the largest share of total volume at $34 billion, up 25% quarter-over-quarter and 22% year-over-year.
- At 31%, the office sector had the greatest year-over-year increase. However, it had the lowest share of the total volume, at $15 billion.

Gateway vs. Non-Gateway Cap Rates[4]



- In Q3, the cap rate for U.S. Gateway markets decreased 10 bps from the previous quarter to 4.5%, while U.S. Non-Gateway remained flat from Q2 at 4.7%.
- Over the last 10 years, cap rates for Non-Gateway markets have typically been 49 bps higher than the Gateway markets.
- As of Q3, the spread between Non-Gateway over Gateway cap rates was 13 bps, unchanged from the prior quarter.

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



- The NFI-ODCE EW Index posted a Q3 return of 0.65%, gross of fee, resulting in a 3.8% one-year return.
- Again, retail was the top-performing asset class this quarter, delivering a 1.6% total return, followed by multifamily at 1.4%, and industrial at 1.0%.
- Office was the worst-performing asset class, with a 0.1% total return for the quarter. It was the only sector to report negative appreciation, declining by 4.8% during Q3.

Sources: CoStar, NCREIF.
3 A property's capitalization rate, or cap rate, is a measure of its Net Operating Income relative to its market value.
4 Gateway Markets include BOS, CHI, DC, LA, NY, and SF in the NCREIF National Property Index (NPI), and Non-Gateway reflects all other markets in NPI.
5 Unleveraged property returns reflect the performance of the underlying properties, without the impact of property debt. Please see important information regarding the Index on the last page. For reference, the Bailard Real Estate Fund's unleveraged property returns for the same period were: Multifamily, 2.5% (Inc: 4.4%, App: -1.8%); Industrial, 5.7% (Inc: 4.7%, App: 1.0%); Office, 6.7% (Inc: 6.1%, App: 0.5%); and Retail, 11.1% (Inc: 6.7%, App: 4.3%).

Multifamily

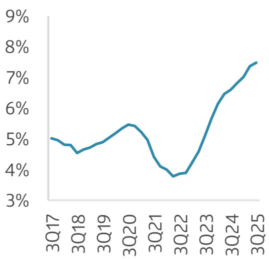
Q3 2025 marked a period of stability in the U.S. multifamily market, with overall vacancy holding at 8.2%. Prior to Q2 2025, multifamily vacancies rose for 13 quarters in a row. This stabiliity is supported by steady demand from both older Gen Z renters entering the market and baby boomers choosing to rent. At the same time, new supply has continued to slow, with net deliveries down about 25% year-over-year to 140,000 units for the quarter. The construction pipeline has contracted nearly 53% from its early 2023 peak to 556,000 units, helping to address oversupply, particularly in the South. As construction activity continues to cool, markets with excess inventory—especially in the Sun Belt—are expected to see vacancies and softening rental rates begin to stabilize.

VACANCY

As of Q3, 25: **8.2%**

10-Year Avg: **6.7%**

Qtr/Qtr Change:
+4 bps

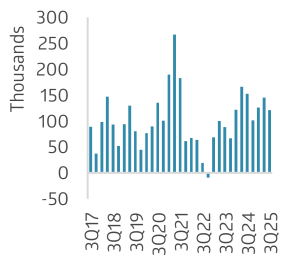


ABSORPTION

As of Q3, 25: **121,000 units**

10-Year Avg: **97,000 units**

Qtr/Qtr Change:
-24,000 units

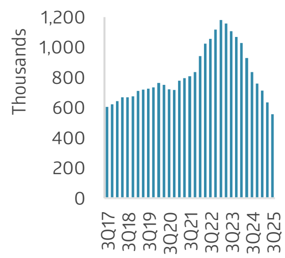


CONSTRUCTION

As of Q3, 25: **556,000 units**

10-Year Avg: **781,000 units**

Qtr/Qtr Change:
-79,000 units

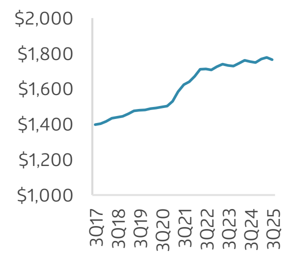


RENT

As of Q3, 25: **$1,766/month**

10-Year Avg: **$1,559/month**

Qtr/Qtr Change:
-0.7%



Industrial

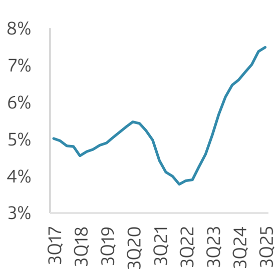
U.S. industrial rent growth has slowed to 1.4% year-over-year, the lowest since 2012, with large logistics buildings seeing rent declines. National vacancy is up to 7.5%, especially for larger spaces, while small bay buildings remain tight and continue to see rent gains. Construction activity has fallen sharply, with supply set to reach an eleven-year low in 2026, though some Sun Belt markets still face oversupply risks in mid-sized logistics spaces. Leasing momentum has softened overall, leading landlords to offer more concessions, such as increased free rent, as tenants gain more leverage. Investment sales have stabilized, with transaction cap rates widening to about 6%, though top-tier assets can still achieve low-5% yields. The sector's recovery will likely be slow, as elevated vacancies, lingering supply from past development, and trade-related uncertainties continue to weigh on demand.

VACANCY

As of Q3, 25: **7.5%**

10-Year Avg: **5.2%**

Qtr/Qtr Change:
+12 bps

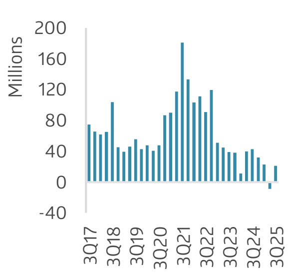


ABSORPTION

As of Q3, 25: **21 million SF**

10-Year Avg: **65 million SF**

Qtr/Qtr Change:
+30 million SF

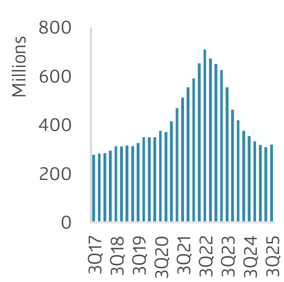


CONSTRUCTION

As of Q3, 25: **319 million SF**

10-Year Avg: **389 million SF**

Qtr/Qtr Change:
+11 million SF

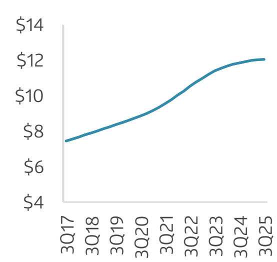


RENT

As of Q3, 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

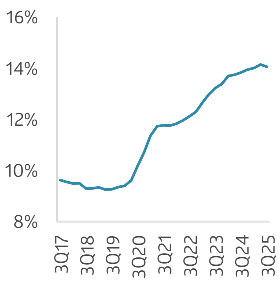
In Q3 2025, the U.S. office market's recovery continued as net absorption turned positive, with tenants committing to nearly 13 million square feet (SF)—the first positive quarter since late 2021 and the strongest since 2019. The national vacancy rate held at 14.1%, near a record high, but the strong net absorption halted further vacancy increases, with a plateau forecast through 2026. The construction pipeline fell to 58 million SF, its lowest since 2011, and new starts remained well below pre-pandemic averages. Leasing activity has normalized in deal counts, but average deal sizes are still 15% to 20% below pre-pandemic levels, keeping total leasing volume below pre-2020 norms. Asking rents stayed flat at $36.00/SF, with nominal rent growth expected, though effective rents will likely stagnate outside premium buildings. Concessions remained elevated, but limited premium space should offset the glut of non-competitive space. The outlook is cautiously optimistic.

VACANCY

As of Q3, 25: **14.1%**

10-Year Avg: **11.w%**

Qtr/Qtr Change:
-1 bps

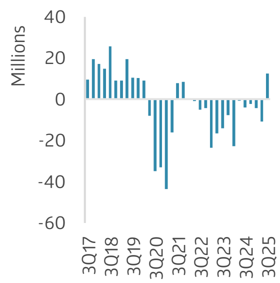


ABSORPTION

As of Q3, 25: **13 million SF**

10-Year Avg: **2 million SF**

Qtr/Qtr Change:
+23 million SF

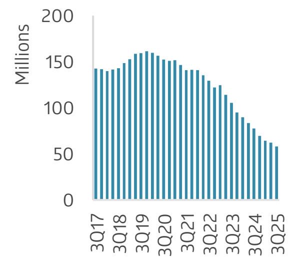


CONSTRUCTION

As of Q3, 25: **58 million SF**

10-Year Avg: **128 million SF**

Qtr/Qtr Change:
-4 million SF

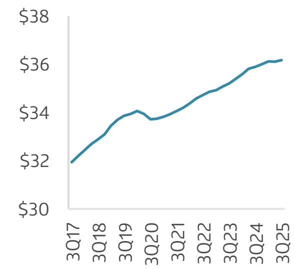


RENT

As of Q3, 25: **$36/SF (Gross)**

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

Qtr/Qtr Change:
+0.2%



Retail

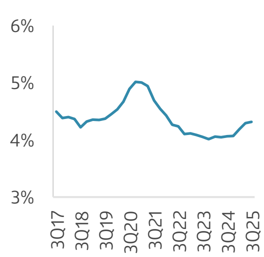
The U.S. retail market continued to recalibrate after a wave of store closures and bankruptcies, with vacancy remaining flat at a rate of 4.3%. Despite two quarters of negative net absorption, leasing activity hit a three-year high driven by strong demand for small, service-oriented spaces, while most available inventory remains older and lower quality. Rent growth has slowed to 1.9% year-over-year as supply increases and sales growth moderates, but rents remain near record highs in top markets. Construction is well under control, with new development limited and ongoing demolition tightening supply further. Investment sales reached $49.7 billion through Q3, up 8.6% year-over-year, as stabilized cap rates boosted deal flow, especially for grocery-anchored assets. Looking ahead, rent growth is expected to decelerate but remain healthy in well-located markets, while limited new supply and strong demand should help keep vacancies low. Overall, the sector remains supply-constrained, supporting long-term stability despite near-term economic uncertainty that may negatively impact consumer spending.

VACANCY

As of Q3, 25: **4.3%**

10-Year Avg: **4.4%**

Qtr/Qtr Change:
0 bps

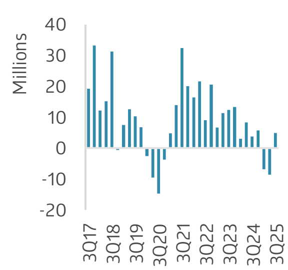


ABSORPTION

As of Q3, 25: **5 million SF**

10-Year Avg: **13 million SF**

Qtr/Qtr Change:
13 million SF

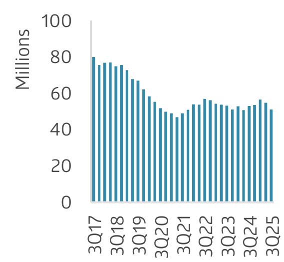


CONSTRUCTION

As of Q3, 25: **51 million SF**

10-Year Avg: **64 million SF**

Qtr/Qtr Change:
-4 million SF

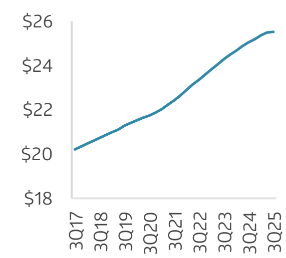


RENT

As of Q3, 25: **$26/SF (NNN)**

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

Qtr/Qtr Change:
0.1%



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

THE LOOK AHEAD

It's hard to pick up a newspaper, watch *CNBC* or *Bloomberg* television, or listen to a business-oriented podcast without reading or hearing concerns about a looming bubble. It's either an Artificial Intelligence (AI)-specific investment bubble, a broader technology stock bubble, or a more generalized equities market bubble. Financial market experts often talk about markets "climbing a wall of worry" as a way to describe a bull market that continues to rise despite uncertainty. The market's behavior recently seems more like a sprint through a mine field. Economists are in awe of the market's ability to power ahead through various obstacles and impediments. This isn't a recent phenomenon. Pundits and several financial industry luminaries have been waving caution flags, some subtly and others a bit more vigorously, for the past several months. The frequency and volume of the warnings have increased heading into November and the intensity of alarm corresponds to the stock market's dizzying ascent. Market participants are looking at upward-spiraling equities' valuations with excitement, perplexity, or dread.

From whence do the concerns arise:

1. Stretched valuations, especially for the mega-cap tech companies
2. The massive and chaotic "land grab" in AI infrastructure (power and data center capacity) build-out that's consuming trillions of dollars of investment capital
3. The "circularity" problem by and between the big AI players
4. Cracks in the private credit markets
5. Challenges facing the U.S. economy: Tariffs and trade, the "K-shaped" economic trajectory, labor market fragility, immigration, inflation, and interest rates

Claire Jones and Sam Fleming, Washington, D.C.-based writers for the *Financial Times* (FT), authored a piece on October 17 entitled, "America's gravity-defying economy," with a subtitle: "The AI Boom is Helping Sustain Growth Despite Fears of a Recession Earlier in the Year."[6] The article does an outstanding job of capturing this moment and the myriad conflicting forces pushing and pulling the economy. "Trade tariffs have not been the only headwind – The US economy is also dealing with a downturn in the labor market, a draconian clampdown on immigration, and now a government shutdown. But at the heart of the economy's robust performance has been consumers who have continued to spend... The critical driver, say economists, has been the positive wealth effect of soaring stock valuations, which has buoyed spending among those who are asset-rich."

"On the surface, the economy looks resilient", says Isabelle Mateos y Lago, chief economist at BNP Paribas. "But underneath, there's a lot to worry about... people are aware that we could see a shock at any time that would make the resilience unravel."

Jamie Dimon, at an Institute of International Finance event in Washington, DC, on October 16 said, "Asset prices are very high and credit spreads are very low. I look at that and I'd feel more comfortable if that were not true. The market thinks everything is going to be just fine. I'm not quite so sure of that."[7]

The AI boom is not just fueling eye-popping levels of investment in building data centers, it has also helped send US equities to multiple record highs, based on confidence in the technology's capacity to boost productivity and growth. Mark Zandi, an economist at Moody's, says that "It's fortuitous that the AI boom happened this year – it has helped cushion the blow from tariff policies and the crackdown on immigration. It's the key reason that the economy hasn't gone into recession."

The *FT* highlighted some of the same concerns in a September article entitled, "Markets Break Records Amid 'FOMO' Frenzy." "Stocks have struck record highs this week while borrowing spreads for U.S. companies have shrunk to their tightest since 1998, as investors warn that markets are 'priced to perfection' despite mounting risks. US equities have rebounded from their bruising trade war sell-off in April in a run that has propelled tech giants Nvidia, Microsoft, Apple, and Alphabet to multi-trillion-dollar valuations, but is now sweeping up stocks of all shapes and sizes. 'It's fair

6 Jones, C., Fleming, S. (October 17, 2025). Financial Times. "America's gravity-defying economy." https://www.ft.com/content/83939127-eb9f-4145-9736-ded26c6f4d96.
7 Institute of International Finance. 2025 IIF Annual Membership Meeting. October 14017, 2025. https://www.iif.com/events/2025_AMM/meetingid/9ebf2277-b5fa-ef11-be20-6045bdefa48d.

to say that you've never been paid less to take risk' said Jamie Patton, co-head of global rates at asset manager TCW. 'It's not like this is specific to any particular asset class. Every price seems to be indicating perfection.'"

Ben Inker, co-head of asset allocation at GMO, said the Fear of Missing Out (FOMO) seems to be what's going on. "The assumption that everybody should be able to get rich." In equities markets, bets on the rise of artificial intelligence have dominated trading floors and powered US markets. Investment firm GQG Partners described stocks this month as "dot com on steroids" – "Investors are seemingly making a one-way bet on AI mania, while appearing to ignore alarming fundamental issues."[8]

For perspective, that *FT* piece appeared ~6 weeks ago, with the S&P 500 and Nasdaq at 6,664 and 22,631… 2.6% and 4.6% lower, respectively, than where they closed on Friday, October 31.

Two weeks after the *FT* article, *The Wall Street Journal* (WSJ) on October 3, presented the following, "Stocks' Record Run Sparks Concern." "Another week, another series of stock-market records, it's a story that has some investors worried. The S&P reached its 31st record close of the year on 10/3. The DJIA and the Russell 2000 also closed at record highs that day. This has left some investors worried. Stock valuations have never been higher, by some measures. And the credit market is priced to perfection. At the same time, backers are pouring hundreds of billions into the artificial intelligence build-out and unsure when, or if, they will get their investment back."[9]

Coincidentally, or perhaps fortuitously, this past month, Andrew Ross Sorkin, the *CNBC* host and author was everywhere promoting his new book entitled, *1929: Inside the Greatest Crash in Wall Street History*. The book, a product of eight years of research, is a detailed account of the crash highlighting the culture of speculation and the human nature behind the financial upheaval. In interviews on *CNBC*, *Bloomberg*, the *Today Show*, and elsewhere, Sorkin took great care to avoid drawing parallels between the fervor leading up to the 1929 crash and the euphoria driving investor behavior today. The juxtaposition is both intriguing and awkward.

Goldman Sachs CEO David Solomon shared some anodyne comments recently and became the latest Wall Street executive to express concern saying he wouldn't be surprised by a stock market "drawdown" in the next year or two given the run we've had. Asked if there was an AI bubble, Solomon declined to use that word saying, "I think that there will be lots of capital that's deployed that will turn out to not deliver returns, and when that happens, people won't feel good."[10]

Greg Ip of the *WSJ* was a bit less restrained in an October 16 article entitled, "A Speculative Era Without Limits." "Today's AI-centered boom (or, if you prefer, bubble) has a lot in common with its predecessors, such as the LBO boom in the late 80s, dot-com and telecom stocks in the late 90s, and housing in the mid-2000s: stocks at nosebleed valuations, easy credit for risky borrowers, and faddish financial products. Speculation has become woven into today's political, economic, and cultural psyche. And official Washington, instead of leaning against the speculation is egging it on: the Federal Reserve is lowering interest rates, the Trump administration is loosening regulations across the financial system, and President Trump's family is cashing in."

Ip goes on, "A bubble is hard to identify before it bursts, but bubblelike behavior isn't. Today's examples include tiny companies going public then cratering, and ordinary businesses turning into "crypto-treasury" companies by issuing equity and debt to buy crypto. So are circular financing deals that obscure the underlying revenue" by and between companies like Nvidia, OpenAI, Broadcom, AMD, Oracle and Microsoft. "Does any of this matter? Speculation and bubbles are intrinsic to how capitalist economies grow."[11]

Stock prices aren't the only worry for market participants. The credit markets are also a major concern. The *WSJ* carried an excellent article highlighting the issues on September 29 entitled, "Credit Markets are

8 Financial Times. (September 19, 2025). Markets Break Records Amid 'FOMO' Frenzy. https://www.ft.com/content/02b4525e-79e6-4f73-ad82-bc32a714b8c7.
9 Lang, H E. (October 3, 2025). Stocks' Latest Record Run Leaves Some Investors Nervous. The Wall Street Journal. https://www.wsj.com/finance/stocks/stocks-latest-record-run-still-leaves-some-investors-nervous-b1b4792c.
10 Taylor, C. (October 3, 2025). Goldman Sachs CEO David Solomon warns stock market downturn is coming. CNBC. https://www.cnbc.com/2025/10/03/goldman-sachs-ceo-david-solomon-warns-stock-market-drawdown-is-coming.html.
11 Ip, G. (October 16, 2025.) From Sports to AI, America Is Awash in Speculative Fever. Washington Is Egging It On. The Wall Street Journal. https://www.wsj.com/finance/investing/from-sports-to-ai-america-is-awash-in-speculative-fever-washington-is-egging-it-on-c1e5c814.

Hot, But Froth is a Worry." "U.S. credit markets are running hot – but maybe too hot. Investors are gobbling up corporate debt like it is going out of style – even though the rewards, by some measures, are lower than they have been in nearly three decades. The frothy mood has some on Wall Street worried that the market is priced for perfection and ripe for a fall." The recent bankruptcies by First Brands (an auto parts supplier) and TriColor (an auto subprime lender) have put the market on edge. So far there is no sign of wider fallout, and each of those situations had unique characteristics. But, combined with other challenges, it is giving longtime traders pause. "There's been a very positive investing environment for a long time, with a large amount of money and lots of optimism, which can lead to high pricing and declining quality", said Howard Marks, Chairman of Oaktree Capital Management, which specializes in credit investing. He went on to say that "The worst loans are often made in the best of times."[12]

The overarching concern on Wall Street is that exceptionally high valuations for corporate debt are concealing excesses in the market and insufficiently compensating investors for taking risks. That is visible in the paltry spread (0.74%, or 74 bps, as of 9/29… its lowest since 1998) investors are getting on investment grade corporate debt. The spread for junk bonds is ~2.75%, near its record low set in 2007.

Not surprisingly, real estate has had its share of "priced-to-perfection" and FOMO-induced frenzy epochs. This happened with office developers and their unholy alliance with crooked S&Ls in the late 80s/early 90s. It happened again to office in the tech-dominated markets (Seattle, San Francisco, San Diego, Austin, and Boston) in the late 90s. It happened to retail and multifamily in the mid aughts leading up to the Great Financial Crisis (2008 to 2010). It happened to office and multifamily in the over-hyped Global Gateways in the mid/late teens leading up to the pandemic. And, most recently, it happened to multifamily (mostly in the Sun Belt) and industrial (particularly on the West coast and especially in Oakland, Orange County, and the Inland Empire). The way it manifests itself in real estate is in "bidding wars" for assets. Sensible investors in all market environments have models, metrics, and return requirements that determine the price they are willing to pay for an asset. If they are prudent, they don't let feverish behavior undermine their disciplines. On the other hand, during frenzied periods, less discriminate buyers start with the price that they think will win them the deal, and then they tinker with the assumptions in their models to help them justify the price they are going to offer. That leads to pricing spirals, over-development, and, ultimately, a collapse. The Bailard Real Estate team's recognition of this phenomenon is what kept the Fund mostly out of the Global Gateways, which are prone to excessive volatility, for the past ten years.

What are the implications of a potential stock market bubble for real estate? First, the Bailard Real Estate team is definitely not calling current equities' valuations a "bubble," or recent market behavior "bubble-like." And the team is certainly not forecasting that stock prices are poised to come tumbling down. After all, as Yogi Berra once quipped, "It's tough to make predictions, especially about the future." However, if the market did suffer a drawdown, that wouldn't necessarily negatively impact real estate unless it triggered a deep recession. That would not be good for real estate as it would hurt user demand for all property types. Having said that, however, supply/demand fundamentals for all four property types in most markets are somewhere between healing or healthy. And, other than office, significant supply overhangs for the other property types (multifamily and industrial, in particular) are limited to a handful of markets where development way overshot demand and/or there's been a recent dramatic drop-off in user demand. (See the table, "U.S. Property Type Snapshot - Q3 2025," on the following page for some examples.)

Second, if a stock market bubble is developing and did burst, it might lead the Fed to take more aggressive action to lower interest rates. That, in itself, wouldn't be an immediate shot in the arm for real estate, but if lower rates became embedded, that could be good for real estate transaction activity and also boost valuations which have been stuck in neutral the past 18 months.

Third, if the bubble bursting involves the AI infrastructure investment boom, that would be bad for the big

12 Wirz, M., Goldfarb, S. (September 29, 2025.) Wall Street Grows Concerned With a Frothy Credit Market. The Wall Street Journal. https://www.wsj.com/livecoverage/stock-market-today-dow-sp-500-nasdaq-09-29-2025/card/wall-street-grows-concerned-with-a-frothy-credit-market-3wd6CVnD5z3oOCZIenN7.

U.S. Property Type Snapshot - Q3 2025

POCKETS OF STRENGTH				
Property Type	**Market**	**Vacancy**	**Rent Growth**	**Commentary**
Multifamily	San Francisco, CA	4.4%	5.7%	Supply constraints, strict regulations, and a tech re-bound driving rent growth and low vacancy
	New York, NY	3.3%	2.2%	Strong job market and migration trends with regulatory limits keeping supply tight
	Chicago, IL	4.7%	3.4%	Diversified economy and steady demand supporting occupancy and rent growth
Industrial	Columbus, OH	6.9%	6.8%	Central location and strong logistics demand fueling rent growth and absorption
	Richmond, VA	5.2%	5.1%	In-migration and business expansion in finance and healthcare supporting growth
	Minneapolis, MN	3.9%	3.6%	Limited new construction and diversified economy keeping vacancy low and rents stable
Office	Miami, FL	8.5%	2.9%	Corporate relocations and strong Class A demand sus-taining rent growth and low vacancy
	New York, NY	13.4%	0.1%	Renewed activity from major firms and investment in quality space supporting recovery
Retail	Inland Empire, CA	4.9%	1.2%	Population growth and last-mile retail demand sustain-ing low vacancy and steady rents
	Charlotte, NC	14.1%	1.1%	Strong regional economy and balanced supply-demand supporting absorption

POCKETS OF WEAKNESS				
Property Type	**Market**	**Vacancy**	**Rent Growth**	**Commentary**
Multifamily	Austin, TX	14.6%	-4.7%	Construction pipeline outpacing demand leading to high vacancy and falling rents
	Phoenix, AZ	12.4%	-3.3%	Supply outpacing demand following a pandemic-era boom
	Charlotte, NC	12.1%	-1.6%	Strong absorption but new deliveries pressuring rents
Industrial	Inland Empire, CA	8.6%	-5.1%	Oversupply after rapid expansion leading to higher vacancy and lower rents
	Los Angeles, CA	6.4%	-4.5%	Slower demand and high costs contributing to negative absorption
	Oakland, CA	9.5%	-0.4%	Elevated vacancy and weak demand amid regulatory barriers
Office	Houston, TX	19.8%	1.1%	Sublease space and energy sector contraction keeping vacancy high
	Denver, CO	18.0%	1.0%	Oversupply and tenant downsizing weighing on market performance
Retail	San Francisco, CA	23.1%	0.6%	Urban challenges, high costs, and weak demand main-taining elevated vacancy
	Washington, DC	17.5%	1.2%	Negative absorption and soft demand contributing to persistent vacancy

Sources: CoStar Group, Bailard.

real estate players (Blackstone, Digital Realty Trust, Blue Owl, KKR, and Brookfield, to name a few) who have dived-into the deep end of this pool. But for the rest of the industry that have neither the resources nor the inclination to make these extraordinary bets, if the AI investment “bubble” deflates it’s likely a non-event for traditional real estate investors and could even be a positive by shining a light on some of the overlooked and slightly less “hyped” corners of the real assets landscape.

The *Financial Times* in a recent (October 18) article entitled, “The kaleidoscopic global economy: resilient, lucky and fragile,” catalogued a week of ups and downs in the world’s markets and concluded, “Anyone searching for a simple overarching narrative to net out all the contradictions will be disappointed. And if they find one, they ought to be skeptical... Forecasting is hard enough in periods of stability, let alone when the leader of the world’s largest economy wields unpredictability as a policy tool and when faith in the transformative power of a new technology drives trillions of dollars of investment.”[13]

Right now, real estate investment activity is subdued. The Fund has recently completed three very promising acquisitions and is still sitting on a healthy pile of liquidity. The Real Estate team is enthusiastic about using this lull to pursue investments designed to enhance the long-term benefit for the Fund’s shareholders. In time, real estate markets will make a comeback and will once again be a favored asset class. And the Real Estate team will remain determined to embrace the ambiguity, remain flexible, and stick to its disciplines, regardless of how raucous the bidding wars get.

13 Financial Times. (October 18, 2025). The kaleidoscopic global economy: resilient, lucky and fragile. https://www.ft.com/content/50dc5f55-4391-4530-8a02-023288b4d3ae

Fund Performance

The Fund's Net Asset Value (NAV) at September 30, 2025 was $31.03 per share, following a $0.15 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 September 30, 2025, the Fund earned a 3.3% gross return and 2.5% net return.[1]

In the third quarter, 16 of the Fund's 31 properties experienced carry-value gains of between 0.1% and 15.6%, ten suffered decreases of 0.1% to 8.9%, and five remained unchanged.[2]

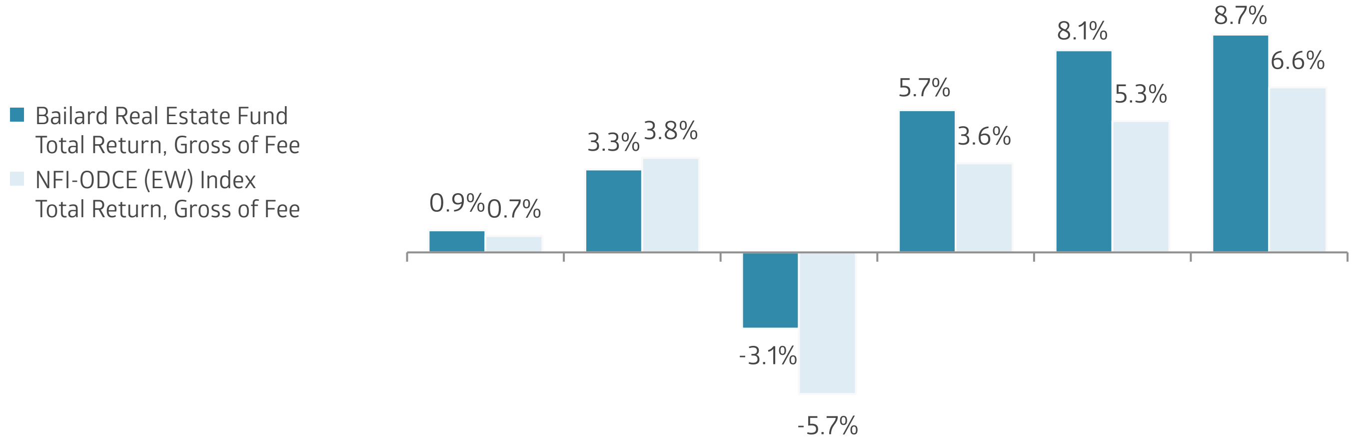
Perimeter East Data Center in Dunwoody, GA, experienced the largest increase this quarter, rising in value by 15.6% primarily due to insurance proceeds received for damaged equipment in the building. Market Street Industrial in Houston, TX increased in value by 3.9% due to a lease renewal with Gulf Stream Marine. District 237 in San Jose, CA rose by 1.7% driven by higher market rent assumptions in the appraiser's discounted cash flow (DCF) model.

The largest percentage write-down for the quarter occurred at Beck46 in Minneapolis, MN, which declined in value by 8.9% due to the appraiser raising the discount rate by 25 bps and increasing operating expenses, including real estate taxes. South Logistics Center in West Valley City, UT, also experienced a decrease in value by 5.9% due to lower market rents. Nottingham 7941 in White Marsh, MD, dropped by 1.4% due to the property's sole tenant vacating in October 2025.

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.
2 Carry Values are gross of total noncontrolling interest in joint ventures of $46.8 million. Previous Carry Value is equal to the previous appraised value plus capital spent since that appraisal. Recent acquisitions are carried at cost until first appraisal, which may include closing costs in addition to the purchase price. Specific investments described herein do not represent all investment decisions made by Bailard. It should not be assumed that investment decisions identified and discussed were or will be profitable. ***Past performance is no indication of future results. All investments have the risk of loss.***

Bailard Real Estate Fund Total Returns[3]

FOR PERIODS ENDING 9/30/2025



	Qtr	1-Yr	3-Yr	5-Yr	10-Yr	Since Inception (4/90)
Bailard Fund, Gross of fee	0.9%	3.3%	-3.1%	5.7%	8.1%	8.7%
NFI-ODCE (EW), Gross of fee	0.7%	3.8%	-5.7%	3.6%	5.3%	6.6%
Relative Performance, Gross of Fee	**+24 bps**	**-47 bps**	**+263 bps**	**+213 bps**	**+285 bps**	**+213 bps**
Bailard Fund, Net of fee	0.7%	2.5%	-3.9%	4.8%	7.2%	8.2%
NFI-ODCE (EW), Net of fee	0.5%	3.0%	-6.4%	2.8%	4.4%	5.7%
Relative Performance, Net of Fee	**+22 bps**	**-52 bps**	**+254 bps**	**+209 bps**	**+282 bps**	**+247 bps**

Sources: Bailard, NCREIF.
3 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 September 30, the Fund's property portfolio was 92% leased, unchanged from Q2 quarter-end and unchanged from Q3 2024, one year ago.[1]

At the portfolio's multifamily assets, total NOI decreased by 19.6%, year-over-year (Q3 2025 vs. Q3 2024). Measured on a "same-store" basis, multifamily NOI increased by 6.2%, year-over-year. (The same-store calculation excludes Beck46 and Grand at Saginaw, which were not yet fully operational during Q3 2024, and The Grand at Manor and Gwinnett Apartments, sold in Q4 2024, and Poplar Glen Apartments, sold in Q3 2025.) Net Operating Income at C&E Lofts in St. Paul, MN, rose by 76.4% and C&E Flats experienced a NOI increase of 20.2%; these increases were on account of lower property tax expense realized through successful appeals. Brookfield Reserve in Brookfield, WI, grew NOI by 10.5% due to higher rents. Partially offsetting these increases was La Morada at Weston in Weston, FL, which experienced a decline of NOI by 9.5%, the result of ongoing stair landing replacement activities that have temporarily lowered occupancy at the property.

Year-over-year, total NOI at the Fund's office properties decreased by 45.4%. Same-store office NOI declined by 33.1% year-over-year. The same-store calculation excludes three properties: Easton Commons in Columbus, OH, and 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. NOI at Fairview Park in Falls Church, VA, decreased by 229% after determining

Fund Summary

AS OF 9/30/2025[2]

Property Portfolio	$1,247.2 mil.
Cash and Cash Equivalents[3]	$118.7 mil.
Restricted Cash[4]	$2.7 mil.
Other Assets	$5.8 mil.
Gross Asset Value[5]	$1,374.4 mil.
Debt[6]	$306.9 mil.
Dividends Payable	$4.8 mil.
Other Liabilities	$22.8 mil.
Net Asset Value (NAV)	$1,039.9 mil.
Noncontrolling Interests in Joint Ventures	$46.8 mil.
Fund's Net Asset Value	$993.1 mil.
Current NAV/Share	$31.03
Dividends Paid/Share (Quarter)[7]	$0.15
Dividends Paid/Share (Trailing Twelve Months)[7]	$0.45
Number of Properties	31
% Core / Operating	99%
% Leased[1]	92%
Residential	92%
Office	88%
Industrial	95%
Retail	91%
Other (Data Center)	78%
Self-Storage	N/A
Weighted Average Remaining Lease Term (SF)	4.8 years
Industrial	4.5
Retail	7.2
Office	4.3
Other (Data Center)	3.7
Self-Storage	N/A

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 $46.8 mil.
6 Debt is shown at fair market value at quarter-end.
7 Includes distributions that may be characterized as ordinary income, capital gains, or return of capital.
Specific investments described herein do not represent all investment decisions made by Bailard, are for illustrative purposes only, and are not necessarily representative of investments that will be made in the future.

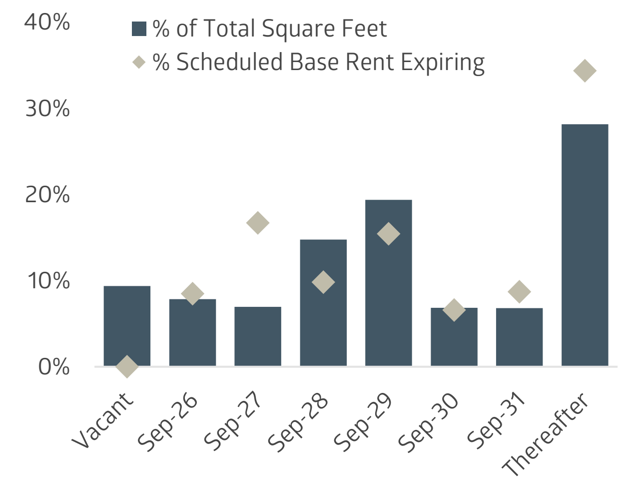
accrued rents from one small tenant would be uncollectible and were classified as bad debt. NOI at 150 Pierce Road in Itasca, IL, contracted by 97% primarily due to Jewel, the largest tenant, entering into its seven-month rent abatement period. NOI at Flying Cloud in Eden Prairie, MN, dropped by 9.5% due to a one-time accounting adjustment and an increase in repairs & maintenance expenses. Partially offsetting these declines was a modest increase in NOI at District 237 in San Jose, CA.

At the portfolio's industrial assets, total year-over-year NOI declined by 6.0%. Same-store industrial NOI increased by 4.0% year-over-year. The same-store calculation excludes South Mountain Industrial in Phoenix, AZ, which was sold in Q4 2024. Westport Industrial Portfolio in St. Louis, MO, expanded by 23.8%. Net Operating Income at Waterville Industrial in San Diego, CA, rose by 7.8%, and Market Street Industrial in Houston, TX, saw a 7.2% NOI increase due to a higher insurance expense adjustment in 2024 that did not recur in 2025. In contrast, Georgia Trade Center in Savannah, GA, declined by 7.4% due to repairs expense that will be reimbursed by the tenant at year-end.

The portfolio's retail properties' NOI increased by 5.2% year-over-year on both a total and same store basis. M Street in Washington, DC, grew by 15.6%. Shoppes at Knightdale in Knightdale, NC, increased its Net Operating Income by 9.9% due to new tenants beginning their occupancy at the property.

The portfolio contains three data center properties classified as "Other": Perimeter East Data Center in Dunwoody, GA, Junction Drive in Annapolis Junction, MD, and newly acquired West Willows Technology Center in Redmond, WA. Perimeter East is currently vacant and West Willows was purchased in September 2025. Junction Drive is 100% leased and its year-over-year NOI increased by 1.9%.

Upcoming Lease Expirations
EXCLUDING RESIDENTIAL



Top 10 Tenants
AS OF 9/30/2025[8]

Tenant	Property Name	% of Portfolio Revenue
AT&T Services	West Willows Technology Center	4.7%
CDK Global	District 237	3.6%
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	1.8%
Total Top 10 Tenants		**28.7%**

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

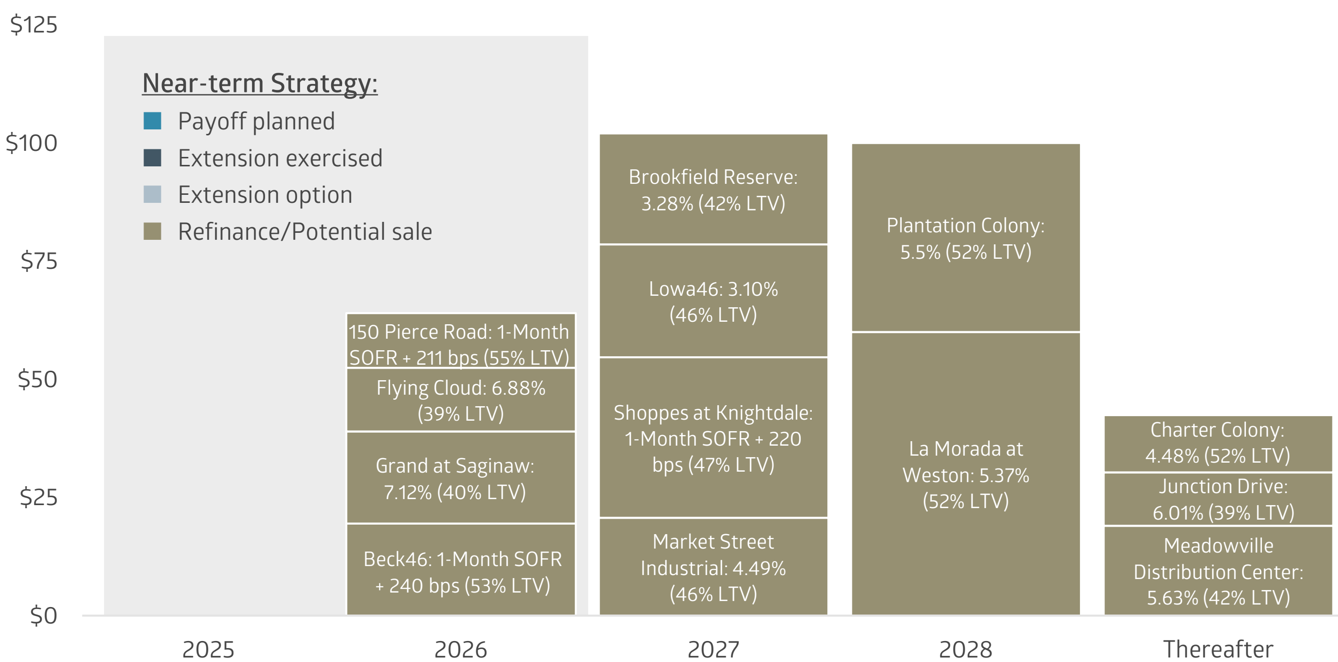
LEVERAGE

As of September 30, the Fund had leverage totaling $308.4 million at par ($306.9 million at fair value), amounting to an aggregate Debt-to-Gross Asset Value ratio of 21.6%, down from 21.7% at the end of the previous quarter and significantly lower than where it stood at the end of the third quarter of 2024: 28.6%. Individual property Loan-to-Value (LTV) ratios ranged from 39% to 55%, with the average LTV on encumbered properties at 48%, unchanged from the end of the third quarter one year ago. The Fund's in-place weighted average interest rate was 5.4% at the end of the quarter, unchanged from Q2 quarter-end and down from 5.6% one year ago. The quarter's impact of marking debt-to-market was -0.09%.

Leverage Statistics
AS OF 9/30/2025[9]

Debt Outstanding (Fund's Economic Share)	$281.2 mil.
Debt to Gross Asset Value	21.6%
% Fixed Rate Debt	81.4%
Property Portfolio Debt Service Coverage Ratio	3.0x
Weighted Avg. Interest Rate	5.4%
Fixed Rate: Weighted Avg. Remaining Term	2.7 years
Floating Rate: Weighted Avg. Remaining Term	1.1 years
# of Unencumbered Properties	18

Debt Maturity Schedule[9] AT PAR, AS OF 9/30/2025



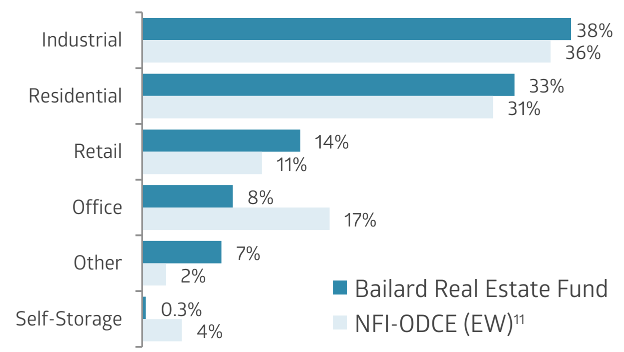
9 Per the NCREIF PREA Reporting Standards, leverage percentage is calculated as follows: the Fund's economic share of outstanding debt at par divided by the Fund's total gross assets (the Fund's economic share of gross real estate, cash and cash equivalents, and other assets). Chart reflects shaded areas 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 Portfolio Summary & Property Updates section. There is no guarantee that planned strategies regarding debt maturities can or will be achieved.

Debt Maturity Schedule[9] AT PAR, AS OF 9/30/2025

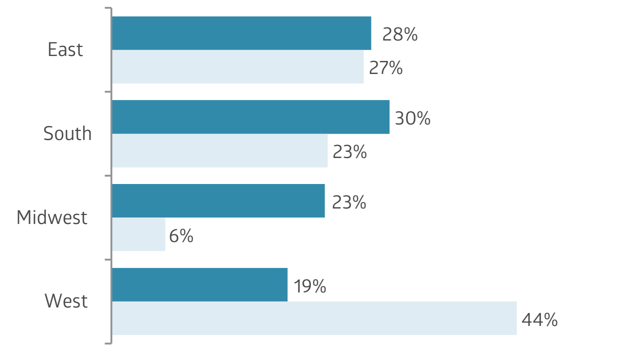
Property Name	Debt Balance Full Market Value (millions)	Debt Balance Economic Share (millions)	Maturity Date
150 Pierce Road	$11.6	$9.3	Apr-2026
Flying Cloud	$13.4	$12.8	May-2026
Grand at Saginaw	$19.5	$12.7	Sep-2026
Beck46	$19.5	$15.0	Nov-2026
Brookfield Reserve	$23.5	$18.8	Jan-2027
Lowa46	$23.9	$21.5	Jan-2027
Shoppes at Knightdale	$34.0	$28.2	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	**$308.4**	**$596.8**	

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).

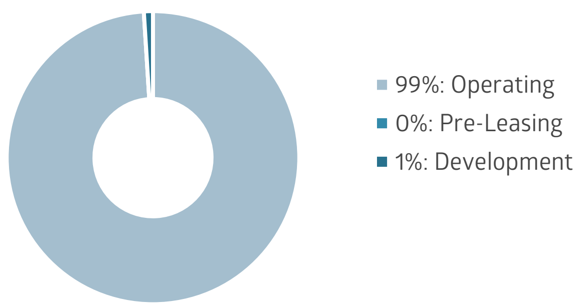
Property Type



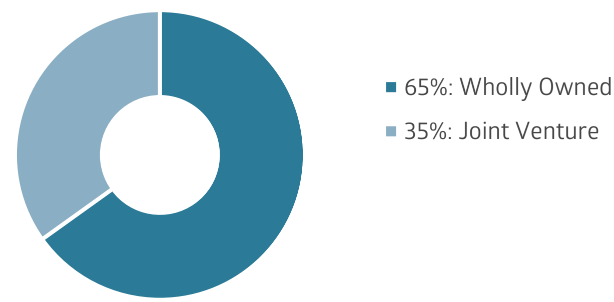
Geography



Property Life Cycle[12]



Investment Structure



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

Transaction Activity

DISPOSITION[1]

Poplar Glen, Columbia, MD: 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.

ACQUISITIONS[1]

750 Curtiss, Downers Grove, IL: On August 14, the Fund closed on the acquisition of 750 Curtiss, a 1.34-acre land parcel in Downers Grove, a western suburb of Chicago. The site is located one block away from the BNSF Downers Grove Metra Station providing easy access to Union Station in Downtown Chicago. The Fund is currently developing a six-story, mid-rise, podium-style apartment building totaling 138 units. The Class A property will incorporate numerous amenities, including a garage with 182 climate-controlled parking spots. The project's development partner will be a joint venture between LCI Development Partners (LCI) and Conor Real Estate (together "Developer"), with LCI acting as the Developer's sole managing member and Fund's primary point of contact. The Fund owns a 90% controlling interest in the project, while the partner owns the remaining 10%. The Fund, along with its partner, paid $1.5 million for the land parcel, with the total development cost projected to be $52.6 million.

El Dorado Self-Storage, El Dorado Hills, CA: On August 29, the Fund closed on the acquisition of El Dorado Self-Storage, a 12-acre land parcel in El Dorado Hills, a suburb east of Sacramento. The site is located on a highly visible corner parcel that borders multiple master planned communities. The Fund plans to build a self-storage facility consisting of a single three-story, climate-controlled building with 1,148 total units on the south side of the site, and four single-story buildings on the north side of the site to accommodate 136 boat

Poplar Glen Apartments, Columbia, MD

750 Curtiss, Downers Grove, IL (project rendering)

El Dorado Self-Storage, El Dorado Hills, CA (project rendering)

*1 **Past performance is no indication of future results. All investments have the risk of loss.** There were no other dispositions or acquisitions that occurred during the quarter. 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.*

and RV storage units. The property will be developed in a joint venture with S3 Partners, a Denver-based developer focused exclusively on the development and third-party project management of self-storage and toy-storage (boat, RV, car) facilities. The Fund owns a 90% interest in the venture, with S3 owning the remaining 10%. The Fund, along with its partner, paid $3.4 million for the land parcel, with the total development cost projected to be $38.9 million.

West Willows Technology Center, Redmond, WA: On September 30, the Fund closed on the acquisition of West Willows Technology Center at a gross purchase price of $40.4 million. The property is a three-building, two-story R&D and data center facility totaling 155,830 square feet, located in Redmond, WA, a suburban technology hub on Seattle's east side. West Willows, constructed in 1995, offers 6.5 megawatts of power, expandable to 7.3 megawatts, and is 100% leased to AT&T through August 2027. The investment provides value-add returns, with substantial upside if AT&T renews or the asset is re-leased at a higher rent as powered buildings. The Fund owns a 95% interest in the venture, with partner Lincoln Property Company holding the remaining 5%.

West Willows Technology Center, Redmond, WA

*1 **Past performance is no indication of future results. All investments have the risk of loss.** There were no other dispositions or acquisitions that occurred during the quarter. 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.*

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 is committed to applying best practices both at the Fund and individual property level. With a focus on tenant safety and community building, the Fund consistently monitors energy and water usage to actively promote responsible resource utilization and management.

Initiative Update: Global Real Estate Sustainability Benchmark (GRESB)

The Fund completed the 2025 GRESB assessment as part of its ongoing effort to monitor and enhance SRII goals. This marked the fourth year of participation, with overall 2025 scores seeing a six-point improvement from the prior year.

A top priority for the past year was continued improvement in data collection and reporting. These efforts proved fruitful as this was the area in the assessment which drove the most increase in score year-over-year.

Working with the Fund's third-party data management partner, Measurabl, the Fund is reviewing the full GRESB report to create an action plan for continued improvements. A few key areas to spend our efforts on will likely be building technical assessments, increased efforts on building certifications and more fulsome tenant satisfaction outreach. The Fund has also continued to review renewable energy options at various properties to be in a position to act as roof replacements are finished, thus allowing installations.

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 inn 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 SRII 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.

Portfolio Summary & Property Updates

Location (MSA)	Investment	SF/Units	% Leased[1]	% Change From Previous Carry Value[2]
Residential				
Chicago	750 Curtiss	138 units	N/A	N/A
Dallas/Ft. Worth	Grand at Saginaw	235 units	92%	0.0%
Ft. Lauderdale	La Morada at Weston	367 units	83%	0.6%
Ft. Lauderdale	Plantation Colony	255 units	96%	-0.1%
Milwaukee	Brookfield Reserve	193 units	97%	0.0%
Minneapolis-St. Paul	Beck46	143 units	97%	-8.9%
Minneapolis-St. Paul	C&E Flats - Multifamily	118 units	99%	-0.8%
Minneapolis-St. Paul	C&E Lofts	103 units	100%	1.5%
Minneapolis-St. Paul	Lowa46 - Multifamily	147 units	96%	-0.1%
		1,699 units	**92%**	**-0.7%**
Industrial				
Houston	Market Street Industrial	395,725 SF	100%	3.9%
Orange County	Fullerton Industrial	254,750 SF	100%	-0.2%
Philadelphia	Highland Business Park	569,893 SF	100%	0.4%
Richmond	Meadowville Distribution Ctr	353,044 SF	100%	0.2%
Salt Lake City	South Logistics Center	328,607 SF	53%	-5.9%
San Diego	Waterville Industrial	101,435 SF	100%	0.4%
Savannah	Georgia Trade Center	416,450 SF	100%	1.1%
St. Louis	Westport Industrial Portfolio	651,009 SF	95%	-0.1%
		3,070,913 SF	**95%**	**0.0%**
Office				
Baltimore	Nottingham 7941	57,782 SF	100%	-1.4%
Chicago	150 Pierce Road	181,228 SF	88%	1.0%
Minneapolis-St. Paul	Flying Cloud	201,495 SF	92%	-0.2%
San Jose	District 237	76,410 SF	100%	1.7%
Washington, DC	Fairview Park	117,065 SF	37%	-0.1%
		633,980 SF	**88%**	**0.5%**
Retail				
Boston	Mansfield Stop & Shop	74,383 SF	100%	0.9%
Boston	Norwell Stop & Shop	59,519 SF	100%	0.4%
Minneapolis-St. Paul	C&E Flats - Retail	11,636 SF	76%	3.6%
Minneapolis-St. Paul	Lowa46 - Retail	49,545 SF	93%	0.0%
Raleigh	Shoppes at Knightdale	323,113 SF	94%	1.6%
Richmond	Charter Colony	71,741 SF	100%	0.4%
Washington, DC	M Street	11,031 SSF	20%	0.1%
		600,968 SF	**91%**	**1.0%**
Other				
Atlanta	Perimeter East Data Center	88,000 SF	0%	15.6%
Baltimore	Junction Drive	96,666 SF	100%	1.1%
Seattle	West Willows Tech Center	155,830 SF	100%	N/A
		340,496 SF	**78%**	**3.6%**
Self-Storage				
Sacramento	El Dorado Self-Storage	1,284 units	N/A	N/A
TOTAL PROPERTY PORTFOLIO: $1,247,213,000			**92%**	**0.2%**

All data as of 9/30/2025.
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 $46.8 million. Previous Carry Value is equal to the previous appraised value plus capital spent since that appraisal. Recent acquisitions are carried at cost until first appraisal, which may include closing costs in addition to the purchase price. Specific investments described herein do not represent all investment decisions made by Bailard. It should not be assumed that investment decisions identified and discussed were or will be profitable. Specific investment advice references provided herein are for illustrative purposes only and are not necessarily representative of investments that will be made in the future.

Residential

Project rendering

750 Curtiss

750 Curtiss St, Downers Grove, IL 60515
Acquired August 2025

The Fund closed on the ground-up multifamily development in Downers Grove, IL. Construction began in late August and the project is scheduled for a 2027 delivery. The property sits on a 1.34-acre infill site, three-minutes walking time from the Downers Grove Metra station (BNSF) offering express transit to downtown Chicago.

The asset has been capitalized with a $31.5 million construction loan (60% loan-to-cost), with the Fund owning a 90% interest and the Developer owning the remaining 10%.

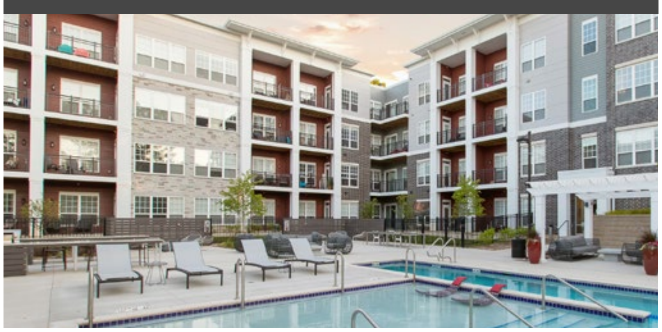
Residential

Beck46

4020 Nawadaha Blvd, Minneapolis, MN 55406
Acquired May 2022

Beck46 ended the quarter at 97% occupancy, reflecting stable demand. In anticipation of the traditionally slow winter season, the property management team worked diligently to maintain occupancy through judicious use of rental concessions. Residents continue to enjoy and actively utilize the building's amenities and express satisfaction with the onsite property manager.

Residential



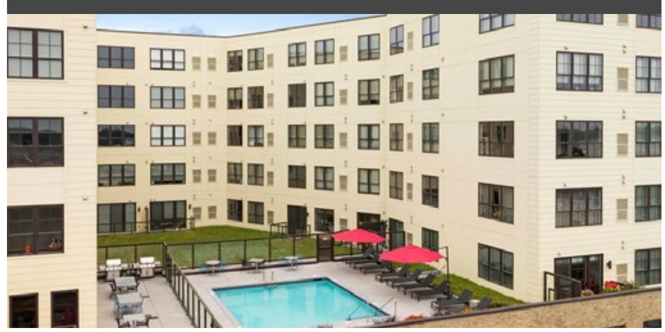
Brookfield Reserve

13701 W. Bluemound Rd, 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 finan Brookfield Reserve ended the quarter 97% leased after a strong summer leasing period. The property retained nearly 60% of residents during Q3, consistent with strong historical performance.

The Fund's investment partner on the project is exploring a second phase on an adjacent parcel. Bailard has informed the partner that it likely will not be participating in the Phase II project.

Residential/Retail



C&E Flats

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

Strong leasing efforts and the seasonal benefit of the more active summer "moving" season resulted in a high occupancy rate of 99% to end the third quarter. Both the property and the broader market continued to experience muted rent growth. Consistent with Q2, no concessions were offered during the quarter, highlighting the property's strong position in the market. The Fund continues to work closely with the property management team to maintain excellent relations with residents and commercial tenants.

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.

Residential

C&E Lofts

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

C&E Lofts finished the quarter fully occupied at 100%. Also similar to C&E Flats, no concessions were offered in Q3. Residents remain drawn to the property's unique charm and distinctive ambiance. The Fund is actively engaged with the property management team to maintain leasing momentum in preparation for the coming winter season.

Residential

The Grand at Saginaw

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

The Grand at Saginaw is a recently built garden-style apartment community in Ft. Worth, TX. The property is currently 92% leased, down from 94% in Q2, reflecting ongoing challenges with surplus supply in North Ft. Worth. The Fund continues to offer concessions and competitive rates and is hopeful in its ability to drive occupancy back up.

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

Residential

La Morada at Weston

1201 Fairlake Blvd, Weston, FL 33326
Acquired March 2000

Occupancy at the property dropped to 83% to end the quarter, primarily due to units being held vacant to accommodate the stair and landing construction work. The project remains on track for completion by year-end, after which the vacant units will be placed back into service and be available for leasing. Drainage and landscaping projects are also expected to be completed by year-end.

Leasing demand across South Florida has slowed, leading to relatively muted rent growth.

Residential/Retail

Lowa46

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

Lowa46 ended the quarter strong, at 96% occupied, reflecting the efforts of the leasing team. The Fund will continue to collaborate with the property manager to maintain residential occupancy and pursue rental rate growth where possible. On-site management at Lowa will also continue to do what it can to support the operations of Cub Foods including through diligent upkeep of the property to help maintain and enhance curb appeal.

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.

Residential

Plantation Colony

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

Occupancy at Plantation Colony remains high, though rent growth has slowed compared to previous years. This trend is not unique to the property, as other properties in the submarket are also experiencing slack demand and softening rents. Limited new supply in the area should help stabilize leasing fundamentals.

The Fund is evaluating additional capital projects for 2026, such as parking lot repaving and building painting.

Industrial

Fullerton Industrial

675 S Placentia Ave, 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). Uncertainty surrounding tariffs and trade has made industrial occupiers cautious about committing to additional space. Although these headwinds have contributed to a decrease in the property's value in recent quarters, the Fund maintains a positive long-term perspective on the submarket. With limited land available for development, new supply is expected to remain constrained, which should support a rebound in leasing fundamentals over time.

Industrial

Georgia Trade Center

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

Georgia Trade Center is 100% leased to Lowe's through November 2033. Ongoing infrastructure investments by the Georgia Ports Authority and Hyundai's "megaplant" continue to generate robust industrial space demand in Savannah. However, the continued elevated levels of new supply are expected to moderate rent growth compared to previous years. Lowe's continues to fully utilize its space.

Industrial

Highland Business Park

300 Highland Dr, Westampton, NJ 08060
Acquired June 1999

The property is 100% leased, with no rollover through May 2026. The Fund has initiated renewal discussions with the four tenants maturing next year. A property-wide paving project has been recently completed providing tenants with sidewalk and curb replacements, and repainted parking spaces.

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 St, Houston, TX 77015
Acquired September 2022

Market Street Industrial remains fully leased to two third-party logistics firms. The WALT for the two tenants is four and a half years.

During the quarter, the Fund renewed Gulf Stream Marine, a 79,552 SF tenant, for a seven-year term with a starting rate of $0.58 per square foot (PSF) per month, up from their prior rate of $0.46 PSF per month. The deal includes two months of free rent and a $1.25 PSF tenant improvement allowance. The Fund continued to advance entitlements for rail spur improvements to increase line capacity and add a transload road, which could be leased for additional revenue.

Industrial

Meadowville Distribution Center

1400 Digital Dr, 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 continues to experience strong leasing traction, driven by its transportation access and notable cost advantages relative to the more expensive Northern Virginia region.

Industrial

South Logistics Center

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

South Logistics Center remains 53% leased, unchanged from the previous quarter. Leasing activity continues to be slow, with limited tenant interest. Prospective tenants who have toured the property have chosen alternative options, citing concerns about the micro-location, building depth, and access. The Fund continues to market the remaining vacancy and is proactively sending unsolicited offers to prospective tenants at aggressive lease rates to generate interest. The Fund is hoping to beat the competition by providing an economical move-in ready solution in the market.

Industrial

Waterville Industrial

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

Honeywell sold its personal protective equipment division to PIP, which fully occupies the building until 3/31/2026. The Fund is negotiating a three-month extension with PIP, as it needs extra time to move operations to its new Tijuana facility. Additionally, the Fund is finalizing plans for the building repositioning with its JV partner once PIP finally vacates.

Leasing demand in the Otay Mesa is slow as industrial users are hesitant given trade uncertainties with Mexico. The Fund is confident that the building's unique features and renovation upgrades will help attract a new tenant.

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

The Fund executed a lease with 5 Horizons Group to backfill the 41,000 SF Oregon Wine space following its early termination. The tenant will also assume an additional 29,000 SF in April 2026 upon Hydromat's lease expiration.

Additionally, the Fund signed a 36-month lease with Archkey Solutions for 33,000 SF.

Office

150 Pierce Road

150 Pierce Rd, Itasca, IL 60143
Acquired May 2015

The Fund is aggressively marketing to potential tenants to backfill the Livingston space (21,000 SF) upon its lease expiration in February 2026. The Fund is also exploring disposition potential with brokers and actively pursuing refinancing opportunities for the loan maturing in April 2026.

Office

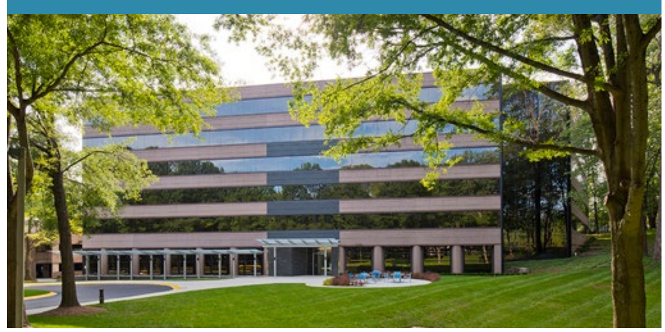
District 237

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

District 237 remains fully leased to CDK Global, Inc., with 1.5 years remaining on its lease. CDK does not physically occupy the building and continues to market its space for sublease. The Bay Area office market is slowly recovering, with improving absorption driven by the AI boom, as AI companies are growing rapidly and generally favor an in-office culture.

During Q3, PG&E agreed to cover infrastructure costs for substation improvements and an additional power feed, increasing the property's capacity to 8 megawatts (MW), matching the neighboring building occupied by NVIDIA.

Office



Fairview Park

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

Occupancy remained at 37% in Q3, consistent with Q2. Despite ongoing challenges and uncertainties in the Washington, DC, market, the Fund and its JV partner continue to be proactive in marketing the building for lease. Encouragingly, the property has seen a modest increase in tour activity. The building is well positioned with a variety of suite sizes and finish levels, making it attractive to tenants with diverse space needs.

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 Dr, Eden Prairie, MN 55344
Acquired April 2016

Flying Cloud concluded the quarter with a leased rate of 92%. During the period, Founders Properties moved into its suite, bringing occupancy to 92%. Tenant satisfaction remains high, with occupants continuing to appreciate and utilize the building's amenities. Now that the warmer season has ended, installation of the cooling tower is scheduled for the fall.

Leasing efforts will focus on the remaining vacant suites on the first and second floors. Notably, there will be no additional tenant turnover at the property in 2025 and only one lease expiration in 2026, which is currently under negotiation.

Office

Nottingham 7941

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

The property remains 100% leased to Prometric through October 2025. One month into Q4 2025, the building will lose the Prometric tenancy. Prometric has aggressively sought to sublease its space for the past few years, with no success. The Fund is actively engaged in negotiations to sell the property to potential buyers.

Retail

Charter Colony

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

Charter Colony is fully leased, with over 14 years remaining on the anchor tenant's (Publix's) lease. During the quarter, a 10-year extension was negotiated with Marco's Pizza, highlighting continued demand from small shop tenants. Given the asset's stability, the Fund is committed to strengthening tenant relationships and ensuring the property is well maintained.

Retail

M Street

2901 M St NW, Washington, DC 20007
Acquired July 2018

M Street ended the quarter at 20% leased following the move out of Izzy's Salon (ground floor) and Heroes (second floor) at the end of August. Despite these moveouts, property cash flow has increased due to Wells Fargo's higher lease rate effective August 2025. Coinciding with the tenant departures, the Fund engaged Lincoln Property Company, a firm already successfully managing Nottingham 7941 and Junction Drive for the Fund, to oversee M Street as well. The Fund is proactively marketing the available suites to attract new tenants and is actively evaluating potential building upgrades.

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Retail

Mansfield Stop & Shop

377 Chauncy St, 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 St, 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.

Retail

Shoppes at Knightdale

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

Shoppes at Knightdale remains 94% leased, with the only vacancy being the former Office Max box. The Fund is currently negotiating a lease with Barnes & Noble for this space, which is expected to be completed in the fourth quarter.

Tenants at the property continue to perform well as evidenced by strong sales figures. Multiple lease renewals have been executed during the year for small shop space at significantly higher rents than previous.

Other (Data Center)

Junction Drive

9020 Junction Dr, 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 Ctr E, Dunwoody, GA 30346
Acquired May 2017

Perimeter East remains vacant. The Fund has finally received the letter from Georgia Power detailing the full scope and timing of a potential power upgrade. This is a major step in completing a successful value-add. The Fund will widely market the building with the power upgrade potential via a sales broker now that the path ahead is more clear.

Other (Data Center)

West Willows Technology Center

8739 148th Ave NE, Redmond, WA 98052
Acquired September 2025

Aquired during Q3, the property is a 155,830 square-foot R&D and data center located in Redmond, WA, on Seattle's east side. The property is fully leased to AT&T through August 2027, which uses the facility as a telecom data center and for cellular R&D operations.

West Willows offers 6.5 megawatts of power, scalable to 7.3 megawatts, making it well-suited for technology users that require power. The acquisition cost was $40.4 million.

Self-Storage

Project rendering

El Dorado Self-Storage

Latrobe Rd and Suncast Ln, El Dorado Hills, CA 95762
Acquired August 2025

El Dorado Self-Storage is a 227,327 square-foot, to-be-built self-storage facility located in a suburb south and east of Sacramento, CA. The project consists of a single three-story, climate-controlled facility with 1,148 units, and four single-story buildings to accommodate 136 boat and RV storage units. The Fund and its JV partner, S3, closed on the land in the third quarter and plan to break ground 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.

Bailard Real Estate Team

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SVP, Acquisitions &
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Risa Itow
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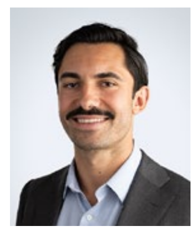
Jun Omiya
Analyst



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Clayton Hagy
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Associate

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

Risks and Disclosures

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.

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 September 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.

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

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Published November 2025