

Smart SRI US All Cap Strategy

Q3 2025 Quarterly Update

QUARTER HIGHLIGHTS

- Easing trade tensions and the continued shift toward looser monetary policy supported global equities' upward trend in Q3. U.S. stocks, aided by the resurgence of some of the largest domestic names, were even stronger.
- The Smart SRI US All Cap Strategy's 7.75% net return for the quarter was 42 basis points shy of the Russell 3000 benchmark's 8.18% return.
- For the past 2+ years, the Strategy's underweight to the "Mag 7" has served as a headwind. The exclusion of two "Mag 7" companies—Tesla and Meta Platforms—both negatively and positively contributed to relative performance. Tesla was a strong outperformer during the quarter (+40%), costing 48 basis points of relative performance; but Meta Platform's -0.4% return for the benchmark contributed 0.2% to relative Strategy performance.¹

TRAILING PERFORMANCE² total return for periods ending 9/30/2025

	Quarter	Year to Date	1 Year	3 Year	5 Year	Since Inception
Composite (Gross)	7.83%	12.45%	14.07%	22.89%	14.10%	13.14%
Composite (Net)	7.75%	12.20%	13.73%	22.50%	13.65%	12.62%
Russell 3000 Index	8.17%	14.38%	17.38%	24.10%	15.73%	13.94%
+/- (Gross vs. Index)	-0.34%	-1.93%	-3.32%	-1.21%	-1.64%	-0.80%

Market Review

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

deployments for civilian law enforcement, marking growing executive power and the weakening of American institutions.

On the trade front, despite several back-and-forth and inconclusive talks, negotiations with major trading partners have progressed more favorably than anticipated. Deals with the EU, Japan, and South Korea concluded at a 15% baseline rate, a notable reduction from the previously threatened 25-30%. Likewise, between US and China (though final agreements are still pending) rates have been watered down from as high as 145% to 30%. In contrast, talks with India and Brazil soured with 50% tariffs, ostensibly to penalize India's ongoing Russian oil purchases and Brazil's prosecution of its former leader.

The net result for the quarter was a healthy rally across global equity markets. U.S. stocks, aided by resurgence of several of its largest names, were

¹ Sector allocation and specific holdings returns are based on gross return, which does not account for fees or expenses. Please refer to the Trailing Performance on page 1 for overall gross and net Composite returns. ² Sources: INDATA, Bailard. Since inception (6/30/2018) returns are annualized. The Bailard Smart SRI US All Cap (the “Strategy”) is implemented in the domestic equity segment of accounts in the Smart ESG US All Cap Carve-Out Composite. The Composite consists of portfolios that invest their domestic equity assets in the Strategy, utilizing 75 - 100 US stocks, diversified across industry sectors, and benchmarked to the Russell 3000 Index. **Past performance is no indication of future results.** All investments have the risk of loss. Please see last page for important disclosures and market index definitions.

stronger during the quarter, with the S&P 500 rising 8.12% and leading MSCI EAFE's 4.77%. Among the Russell 3000 universe, the sector standouts for the quarter were Information Technology (+13.1%) and technology-adjacent Communication Services (+11.8%). Only the Consumer Staples (-2.5%) sector was negative, with Financials (+3.7%) and Real Estate (+2.8%) also lagging the broader market.

Strategy Commentary & Performance³

The Strategy's robust 7.75% net return for the quarter was 42 basis points shy of the benchmark's 8.18% return.

Over the past 2+ years, the underweight to the Mag 7 (Apple, Alphabet, Amazon, Meta Platforms, Microsoft, Nvidia, and Tesla) in the Smart SRI US All Cap relative to the benchmark has been a headwind. The Mag 7 accounted for approximately 35% of the Russell 3000 benchmark by market capitalization at quarter's end. Apple, Microsoft, and Nvidia were the top holdings in the portfolio, representing 5.6%, 5.3% and 6.4% positions, respectively. Two other Mag 7 companies—Tesla and Meta Platforms—are excluded from the Strategy for suitability reasons and were top and bottom contributors to relative performance. Tesla was a strong outperformer during the quarter (+40%), costing 48 basis points of performance relative to the benchmark. However, Meta Platform's -0.4% return for the benchmark contributed 0.2% to relative Strategy performance.

Positive sector allocation for the quarter (+0.30%) served to dampen a shortfall in stock selection (-0.4%). Sector allocation benefitted from the from the continued overweight to Information Technology, while an underweight to Communication Services detracted slightly. As of September 30, 2025, the Composite's NFI Capture Score was significantly better than the benchmark (70.7 versus 59.8).

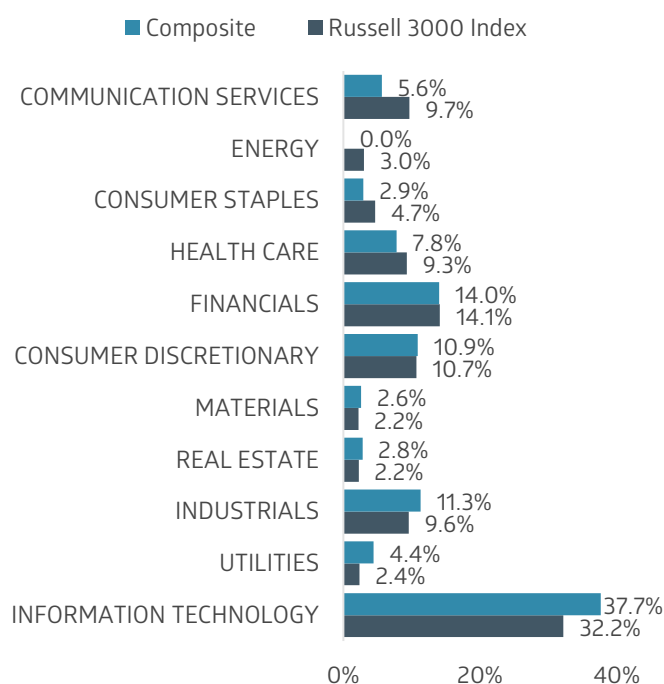
We believe this disciplined portfolio strategy will continue to succeed in providing predictable returns relative to the benchmark over the full economic cycle with a high level of sustainable and responsible investing characteristics.

Portfolio Statistics⁴ as of 9/30/2025

COMPOSITE CHARACTERISTICS

	Portfolio	Russell 3000 Index
Price/Earnings	29.0	27.9
Price/Book	4.9	4.6
Return on Equity	15.0	15.5
Beta	0.98	N/A
NFI Capture Score	70.7	59.8

SECTOR ALLOCATION



TEN LARGEST HOLDINGS

NVIDIA CORP	6.4%
APPLE INC	5.6%
MICROSOFT CORP	5.3%
ALPHABET INC CL A (GOOGLE)	3.9%
AMAZON.COM INC	2.9%
BROADCOM LTD	2.7%
BANK OF NEW YORK CO INC/THE	2.5%
TRANE TECHNOLOGIES PLC	1.9%
INTUIT INC	1.8%
JPMORGAN CHASE & CO	1.8%

³ Sector allocation and specific holdings returns are based on gross return, which does not account for fees or expenses. Please refer to the Trailing Performance on page 1 for overall gross and net Composite returns. ⁴ Sources: INDATA, Bailard, FactSet, Cap IQ. Data regarding specific security holdings reflect information as of September 30, 2025, and are not intended to represent any past, present, or future investment recommendations. Holdings are subject to change. Characteristics are based on gross return, which does not account for fees or expenses. Please refer to Strategy gross and net performance on page 1.

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

Outlook

Our base case is that the past quarter's themes will continue through year-end: responsive monetary policy (most exemplified by US easing), simmering trade tensions, and elevated political uncertainty. A marked shift in any one of these – heightened inflation concerns leading to more restrictive rates, for example, or escalating trade actions – could impose significant pressure on equity markets.

By contrast, a yet-elusive ceasefire or peace deal in the Russia/Ukraine or Israel/Gaza conflicts could relieve one area of geopolitical unease. Company fundamentals have so far showed remarkable resilience to a broad range of uncertainties, and may continue to do so, delivering solid returns for investors.

We remain confident in our disciplined, objective, diversified investing approach, combining a robust sustainable and responsible investing framework with low (2.5%) tracking error to the broad market, Russell 3000® benchmark.

IMPACT ON ACTIVE RETURN⁶ - TOP CONTRIBUTORS

quarter ending 9/30/2025

	Avg. Weight vs. Benchmark	Impact on Return
Ciena Corporation	0.71%	0.44%
Alphabet Inc. Class A	1.60%	0.41%
MongoDB, Inc. Class A	0.19%	0.29%
Bank of New York Mellon Corp	2.31%	0.26%
Cummins Inc.	1.33%	0.25%
Meta Platforms Inc Class A	-2.63%	0.23%
Micron Technology, Inc.	0.68%	0.19%
Intel Corporation	0.53%	0.18%
Electronic Arts Inc.	0.88%	0.16%
Credo Technology Group Holding Ltd.	0.15%	0.15%

IMPACT ON ACTIVE RETURN⁶ - TOP DETRACTORS

quarter ending 9/30/2025

	Avg. Weight vs. Benchmark	Impact on Return
American Tower Corporation	0.82%	-0.19%
Cardinal Health, Inc.	1.35%	-0.20%
Oracle Corporation	-0.51%	-0.21%
Automatic Data Processing, Inc.	1.68%	-0.22%
Trane Technologies plc	1.84%	-0.22%
Accenture Plc Class A	0.84%	-0.25%
Elevance Health, Inc.	0.84%	-0.26%
Alphabet Inc. Class C	-1.53%	-0.40%
Intuit Inc.	1.96%	-0.47%
Tesla, Inc.	-1.56%	-0.48%

⁵ Tracking Error is based on gross return, which does not account for fees or expenses. Please refer to Strategy gross and net performance on page 1. ⁶ Sources: INDATA, Bailard, FactSet, Cap IQ. Impact on Return is based on gross return, which does not account for fees or expenses. Please refer to Strategy gross and net performance on page 1. Data regarding holdings reflect ownership information as of September 30, 2025, and are not intended to represent any past, present or future investment recommendations. Holdings are subject to change. **Past performance is no indication of future results.** All investments have the risk of loss.

Risks

The Bailard Smart SRI US All Cap is only suitable for clients that can handle the risk of investing in large cap equities.

The use of screens based on non-financial information (NFI) as an input to the strategy may exclude certain investments and result in performance that differs from strategies not using such inputs. NFI assessments are inherently subjective, and investors may disagree on what constitutes favorable NFI characteristics. We rely on third-party NFI data, which may be incomplete or inconsistent, and our application of NFI criteria may not always align with an investor's values. Our evaluation of NFI criteria may change over time.

The market value of an investment will fluctuate as the securities markets fluctuate. There can be no assurance that this or any investment strategy will achieve its investment objectives. All investments have the risk of loss.

Performance Disclosures

Composite Definition: The Bailard Smart SRI US All Cap (the "Strategy") is implemented in the domestic equity segment of accounts in the Smart ESG US All Cap Carve-Out Composite. The composite consists of portfolios that invest their domestic equity assets in the Strategy, utilizing 75 - 100 US stocks, diversified across industry sectors, and benchmarked to the Russell 3000 Index. This Smart SRI strategy seeks to invest in companies with above average environmental, social and governance (ESG) characteristics, while incorporating traditional socially responsible investing avoidance screens. Additionally, this strategy seeks to avoid investments in fossil fuels, controversial weapons, and a number of products that adversely affect women, girls, and disadvantaged communities.

Return Calculation Methodology: Composite returns shown are for the domestic equity segment of the composite accounts, and are total returns including the effect of dividends. Returns are presented both gross and net of investment advisory fees, and net of trading commissions. Each account may be subject to separately arranged custodial fees and other account-related charges not payable to Bailard, which will reduce net return to the client. In addition, results do not reflect the impact of taxes, which can reduce returns for taxable investors. Net of fee returns reflect the deduction of actual investment advisory fees. Composite returns are a dollar weighted average of the total returns for each account, and include the effect of a cash allocation. Cash is allocated alongside an account's equity segment according to the proportion of cash in the total portfolio. As of 9/30/2025, the Composite included 14 accounts with \$130.1 million in assets.

Market Indices and Category Definitions: The Russell 3000 Index is a market-capitalization-weighted equity index that tracks the performance of the 3,000 largest US-traded stocks, which represent about 97% of all US-incorporated equity securities. The Smart SRI US All Cap's total account holdings will differ materially from the index due to Bailard's investments in multiple sectors and securities in varying proportions over time. As a result, the index is not indicative of the past or future performance of the Strategy. The

index is unmanaged, uninvestable, presented on a total return basis with dividends reinvested, and do not reflect transaction costs.

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

Other Definitions

NFI Capture Definition: NFI Capture is a proprietary scoring framework designed to help minimize risk and identify leaders and laggards on corporate governance, social, and environmental issues.

Smart SRI Definition: Smart SRI utilizes NFI Capture to create the investable universe of stocks, then optimization software to construct a portfolio designed to have low tracking error to the benchmark.

Other Disclosures

The information in this publication is based primarily on data available as of September 30, 2025, has been obtained from sources believed to be reliable, but its accuracy, completeness and interpretation are not guaranteed. Bailard undertakes no duty to update any of the information contained herein. We do not think this publication should be relied upon as a sole source of information and opinion. This publication is not a recommendation of, or an offer to sell or solicitation of an offer to buy any particular security or investment product. It does not take into consideration the particular investment objectives, financial situations or needs of individual clients. Bailard cannot provide investment advice in any jurisdiction where it is prohibited from doing so.

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