

Smart SRI US All Cap Strategy

Q1 2026 Quarterly Update

QUARTER HIGHLIGHTS¹

- The Strategy delivered a gross active return of -160 bps, as sector allocation and stock selection detracted 113 bps and 53 bps, respectively.
- Triggered by the closure of the Strait of Hormuz, the Energy sector soared over 38% for the quarter, while software stocks were rattled by the market's maniacal focus on AI.
- The Strategy's low carbon philosophy and policy exclusion among the Energy sector accounted for 123 bps of the 160 bps of total underperformance versus the benchmark Russell 3000 Index.

TRAILING PERFORMANCE² total return for periods ending 3/31/2026

	Quarter	Year to Date	1 Year	3 Year	5 Year	Since Inception
Composite (Gross)	-5.58%	-5.58%	15.16%	15.54%	9.26%	11.80%
Composite (Net)	-5.63%	-5.63%	14.85%	15.19%	8.87%	11.31%
Russell 3000 Index	-3.97%	-3.97%	18.06%	17.84%	10.86%	12.73%
+/- (Gross vs. Index)	-1.60%	-1.60%	-2.89%	-2.30%	-1.59%	-0.93%

Market Review

The first quarter of 2026 closed on a sharply volatile note, as early-year continuation of 2025 trends gave way to a major geopolitical shock from military strikes in the Middle East. The effective closure of the Strait of Hormuz, which supplies approximately 20-25% of the world's oil, triggered a severe energy crunch, sending Brent crude futures surging 94% YTD. Global stocks and bonds sold off as investors focused on upside inflation risks and potential downside to growth, unwinding prior outperforming trades, while the US dollar rallied in a flight to safety.

Central banks turned more hawkish as higher energy prices pushed short-term inflation expectations upward. Early-year outlooks for multiple Fed rate cuts have now been pushed out, with futures markets now pricing in little to no easing for 2026.

For the quarter, the benchmark Russell 3000 Index fell 3.97%. Rising energy prices fueled a 38.4% return for the Index's Energy sector; Materials (+9.5%), Utilities (+7.7%), Consumer Staples (+7.6%), Industrials (+5.1%) and Real Estate (+3.5%) also rose. Five of the twelve sectors fell, especially Financials (-9.3%), and Consumer Discretionary and Information Technology (each -9.1%) due to risks of inflationary pressures on spending and margins and a continued reallocation of capital into AI.

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.

Strategy Commentary & Performance³

The Strategy's -5.58% gross return for the quarter was 160 bps behind the -3.97% return for the benchmark Russell 3000 Index.

In terms of sector allocation, the Strategy's low carbon philosophy and policy exclusion among Energy stocks (up 38.4%) had the largest negative impact, detracting 123 bps of the 160 bps of total underperformance for the quarter.

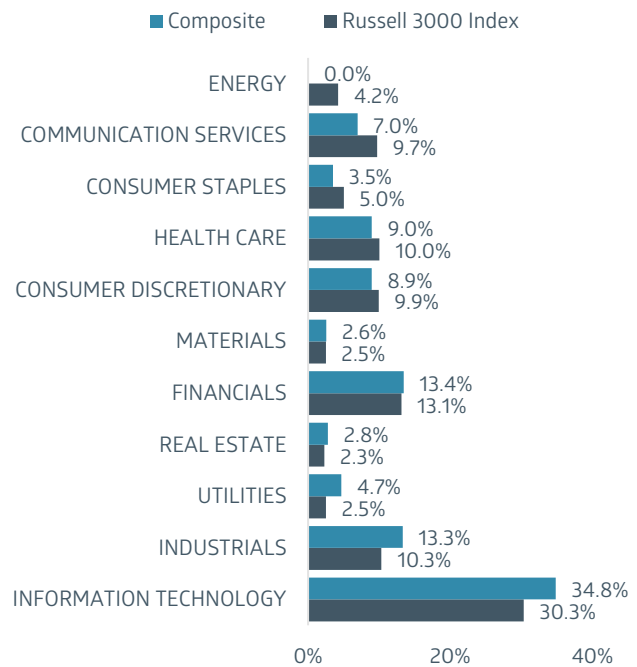
Stock selection for the quarter was negative, as well (-0.53%), dampened by shortfalls within the Information Technology and Industrials sectors. On the positive side, an out-of-benchmark position in Lyondell Basell Industries NV was up over 88% and the top stock contributor in the portfolio (+0.79%), while the exclusions of Meta and Tesla (based on our suitability assessments) also contributed positively to relative performance. The exclusion of Energy stocks, Exxon Mobil and Chevron were among the top detractors in the portfolio, as were a handful of Information Technology stocks--Intuit, HubSpot, Accenture and ServiceNow—derailed by the sell-off in Software and the market's hyperfocus on AI.

As of March 31, 2026, our proprietary NFI (Non-Financial Information) Capture Score was significantly higher for the Composite in comparison to the benchmark, at 69.4 versus 58.7 respectively.

Portfolio Statistics⁴ as of 3/31/2026

COMPOSITE CHARACTERISTICS		
	Portfolio	Russell 3000 Index
Price/Earnings	24.4x	25.1x
Price/Book	4.6x	4.6x
Return on Equity	18.3%	15.9%
Beta	1.03	N/A
NFI Capture Score ⁵	69.4	58.7

SECTOR ALLOCATION



TEN LARGEST HOLDINGS

APPLE INC	6.2%
NVIDIA CORP	6.2%
ALPHABET INC CL A (GOOGLE)	4.9%
MICROSOFT CORP	4.2%
AMAZON.COM INC	3.5%
BROADCOM LTD	2.6%
BANK OF NEW YORK CO INC/THE	2.3%
JPMORGAN CHASE & CO	2.1%
CARDINAL HEALTH INC	1.8%
NISOURCE INC	1.6%

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 March 31, 2026, 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. ⁵ NFI Capture is a proprietary scoring framework designed to help minimize risk and identify leaders and laggards on corporate governance, social, and environmental issues. **Past performance is no indication of future results.** All investments have the risk of loss.

Outlook⁶

The headline numbers don't tell the full story this quarter. Markets have held together better than many expected, but beneath the surface, it's been less settled. Volatility has picked up, leadership has shifted, and a wider share of stocks are experiencing sharp gains and declines than we've seen in some time.

What's driving that shift matters more than the headline numbers. Energy is back in the driver's seat, supply constraints are starting to reappear, and the path for inflation, and for policy, is less clear than it was even a few months ago.

Despite this, equity markets have demonstrated resilience in the face of the volatility revival. A still healthy outlook for corporate profits deserves credit, with S&P 500 operating earnings per share growth projected at nearly 18% for 2026. If energy prices remain elevated, increased caution may be warranted, but the markets—like the Fed—are taking a wait-and-see approach overall despite the choppy waters. Wall Street is used to the tumult, after all, conditioned by many decades of upheaval and the occasional ticker tape parade to soften the blows.

While events in the Middle East are continuing to drive significant day-by-day market volatility, we remain confident that the portfolio and investment process is well-suited to navigate these twists and turns. We continue to have strong conviction in our disciplined, 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 RETURN⁷ - TOP CONTRIBUTORS

quarter ending 3/31/26

	Avg. Weight vs. Benchmark	Impact on Return
LyondellBasell Industries NV	1.21%	0.79%
Applied Materials, Inc.	1.16%	0.40%
Casey's General Stores, Inc.	0.86%	0.26%
Tesla, Inc.*	-1.78%	0.26%
NiSource Inc	1.44%	0.22%
Bloom Energy Corporation Class A	0.26%	0.21%
Meta Platforms Inc Class A*	-2.14%	0.20%
Janus Henderson Group PLC	1.37%	0.16%
Gilead Sciences, Inc.	0.70%	0.15%
Micron Technology, Inc.	0.45%	0.15%

* Tesla and Meta Platforms are excluded from the portfolio based on our suitability assessments.

IMPACT ON ACTIVE RETURN⁷ - TOP DETRACTORS

quarter ending 3/31/26

	Avg. Weight vs. Benchmark	Impact on Return
Exxon Mobil Corporation**	-0.93%	-0.35%
Intuit Inc.	0.79%	-0.32%
HubSpot, Inc.	0.57%	-0.27%
Automatic Data Processing, Inc.	1.22%	-0.22%
Accenture Plc Class A	0.87%	-0.20%
Chevron Corporation**	-0.52%	-0.18%
ServiceNow, Inc.	0.52%	-0.18%
Johnson & Johnson	-0.85%	-0.17%
TrueBlue, Inc.	0.29%	-0.15%
Alaska Air Group, Inc.	0.62%	-0.14%

** Exxon Mobil and Chevron are not held in the portfolio based on the Strategy's low carbon philosophy and policy exclusion.

⁶ 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. ⁷ 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 March 31, 2026, 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 scoring higher on our NFI Capture framework 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 3/31/2026, the Composite included 15 accounts with \$136.8 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 March 31, 2026, 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.