

Bailard International Equity Strategy

Quarterly Report
March 31, 2026

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Q1 Highlights

- 1 The Bailard International Equity Strategy generated a 1Q26 total return of 1.19% net of fees – outperforming the MSCI EAFE Index, which dropped 1.24%.¹
 - 2 The quarter was a tale of two markets. January and February saw international equities continue their 2025 outperformance. In March, that trend gave way to a major geopolitical shock from military strikes in the Middle East. The effective closure of the Strait of Hormuz triggered a severe energy crunch, and related knock-on effects for countries and sectors.
 - 3 The Strategy’s “all-weather” approach helped navigate this volatility; portfolio adjustments have aimed to respond to shifting probabilities, as indicated by either quantitative or fundamental understanding. The Composite outperformed the MSCI EAFE Index in all three months.
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Market Commentary¹

Q1 2026 closed on a sharply volatile note as early-year trends gave way to a major geopolitical shock from military strikes in the Middle East. The effective closure of the Strait of Hormuz triggered a severe energy crunch, sending Brent crude futures surging 94% for the quarter. Global stocks and bonds sold off as investors focused on upside inflation risks, while the US dollar rallied in a flight to safety. In March, the MSCI EAFE Index fell 10.3%, underperforming the S&P 500’s 5% decline.

Central banks turned more hawkish as higher energy prices pushed inflation expectations upward. Outlooks for Fed rate cuts have been pushed out, with markets pricing in little to no easing for 2026. The Bank of England held rates at 3.75%, signaling it “stands ready to act as necessary,” while the ECB and Reserve Bank of Australia signaled further tightening.

Forecasts project positive GDP growth across major developed economies, though at a slightly slower pace than the previous year. Notably, China set its GDP growth target at 4.5% to 5%, its softest since 1991, acknowledging a structural slowdown.

Global trade reflects a shift toward a fragmented world. While the US Supreme Court struck down sweeping reciprocal tariffs, the administration imposed a temporary 15% import surcharge, leaving uncertainty over trade deals. Conversely, other nations pursued deeper bilateral ties; the EU finalized landmark trade agreements with India and Australia, while Canada and the UK reset relations with China.

*Sources: Bailard, Inc., Morningstar, MSCI. ¹ The Bailard International Equity Strategy is implemented across two separate composites. The Composite performance commentary reflects the EAFE Plus Composite. Regional, country, and sector returns and comments are based on their respective MSCI regional and country indices (U.S. dollar terms on a total return basis, reinvesting dividends after the deduction of withholding taxes). Any references to specific securities are included solely as general market commentary and were selected based on criteria unrelated to Bailard’s portfolio recommendations or the past performance of any security held in any Bailard account or fund. **Past performance is no indication of future results. All investments have the risk of loss.***

Bailard International Equity Strategy

Overview

An all-weather international equity strategy designed to provide broad exposure across developed and emerging markets. Combines quantitative country and stock evaluation with fundamental insight to identify opportunities while maintaining balanced risk.

Portfolio Characteristics

Representative Portfolio, as of 3/31/2026²

	Portfolio	MSCI EAFE Index
Weighted Average Market Cap	\$124.5 B	\$107.2 B
Weighted Average P/E Ratio (trailing 12 months)	16.3x	17.3x
# of Holdings	180	690
% Developed Markets	90.2%	100.0%
% Emerging, Frontier, and Other Markets	8.8%	--
% Cash and Other	1.0%	--

Regional Weights

Representative Portfolio, as of 3/31/2026²

Continental Europe	45.5%
Japan	21.6%
United Kingdom	14.7%
Emerging Markets	7.5%
Pacific ex-Japan	6.7%
Other Developed	2.4%
Cash and Other	1.6%

Characteristics & Targets

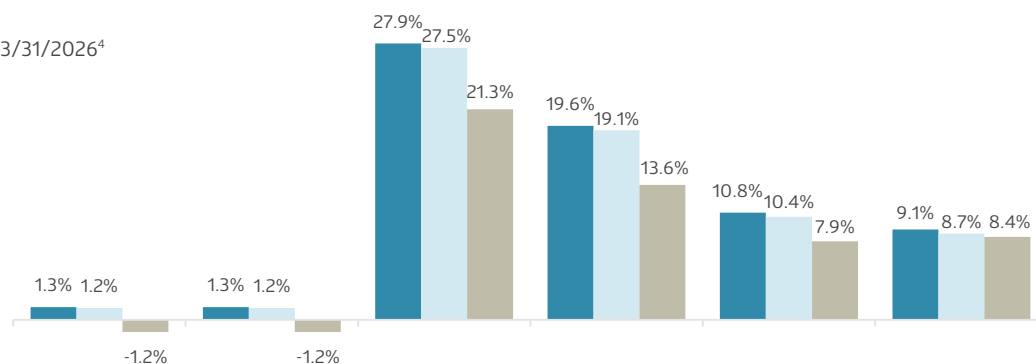
vs. MSCI EAFE, measured at time of investment³

# of Holdings	100 - 200
Annual Turnover	40% - 80%
Countries	+/- 5% - 10% of benchmark
Sectors	+/- 5% - 10% of benchmark
Emerging Markets	≤ MSCI ACWI ex USA Index
Currency Hedging	≤ 20% of exposure hedged back to US\$

Investment Results

Total returns for periods ending 3/31/2026⁴

- Composite, Gross of Fee
- Composite, Net of Fee
- MSCI EAFE Index



Trailing Return	Quarter	YTD	1 Year	3 Year	5 Year	10 Year
Composite, Gross of Fee	1.27%	1.27%	27.93%	19.58%	10.81%	9.12%
Composite, Net of Fee	1.19%	1.19%	27.46%	19.13%	10.40%	8.71%
MSCI EAFE Index	-1.24%	-1.24%	21.27%	13.62%	7.91%	8.38%

Active Return	Quarter	YTD	1 Year	3 Year	5 Year	10 Year
Composite, Gross of Fee, vs. Index	2.51%	2.51%	6.66%	5.96%	2.90%	0.75%
Composite, Net of Fee, vs. Index	2.43%	2.43%	6.20%	5.52%	2.49%	0.34%

	3-Year Performance Statistics			5-Year Performance Statistics		
	Composite, Gross of Fee	Composite, Net of fee	MSCI EAFE Index	Composite, Gross of Fee	Composite, Net of fee	MSCI EAFE Index
Standard Deviation	13.14%	13.14%	13.27%	15.25%	15.25%	15.18%
Tracking Error, Net of Fee, vs.			2.05%			2.11%
Information Ratio, Net of Fee, vs.			2.69			1.18

² Sources: Bailard, Inc. and CapIQ. Portfolio characteristics are subject to change without notice. ³ Source: Bailard, Inc. Portfolio characteristics based on standard portfolio construction. Actual portfolios vary based on individual client account mandates and constraints. See back of this document for important disclosures and market definitions. ⁴ Bailard, Morningstar. Composite performance data shown reflect the Bailard EAFE Plus Composite (the "Composite"), which consists of a Bailard portfolio invested primarily in non-U.S. securities both in developed and emerging markets. The Bailard International Equity Strategy is implemented within the Bailard EAFE Plus Composite. Returns for periods greater than one year are annualized. Past performance is no indication of future results. All investments involve the risk of loss.

Strategy Commentary & Performance⁵

For the quarter, the Bailard International Equity Strategy generated a return of 1.19% net of fees – outperforming MSCI EAFE at -1.24%, MSCI ACWI ex USA at -0.71%, and MSCI Emerging Markets at -0.17%. Amid conflict in the Middle East, rising global energy prices fueled a 40.3% return for EAFE's Energy sector; Utilities (+11.3%) and Materials (+7.2%) also rose. All other sectors fell, especially Consumer Discretionary (-14.5%) due to risks of inflationary pressures on spending and margins.

Among developed markets, Norway (country index +31.5%) was the clear leader, as an energy-exporting economy with a favorable industry mix in its index (e.g., defense, materials). Denmark lagged (-14.5%) on continued weakness from Novo Nordisk, as well as cyclical-heavy Ireland (-10.1%). Among emerging markets, Korea was emblematic of past winners sold most heavily in March – it rose 56% for the first two months of the year, then fell 25% in March, including several of the country index's largest single-day rallies and falls in its history. For the quarter, it ended up a healthy 16.5%; commodity-heavy Latin America was also strong (Colombia +21.1%, Peru +20.8%, Brazil +19.1%). Emerging laggards included India (-18.1%) and Indonesia (-20.7%).

For the Composite, country allocation was boosted by allocations to Korea and Norway, along with an underweight to Denmark. An underweight to Australia detracted, in contrast to past quarters. The portfolio's relatively small sector deviations to EAFE weights had minimal impact on portfolio active performance.

As one should expect, our global volatility measure increased in response to March's swings, to a level only slightly below its long-term average. (While March if in isolation would certainly warrant a higher reading, use of a multi-month measurement window implies that continuation of market swings and/or dispersion into April would be needed to bring our metric above-average). Several top-ranked developed markets from year's end – Hong Kong, Austria, Spain, and Japan – saw new entrants by quarter's end, as Portugal, Canada, and the Netherlands displaced Israel, Italy, Ireland, and Singapore. Purchases through the quarter added slightly to Canada and Japan, while sales trimmed Eurozone countries including Germany, Italy, and France.

Composite beat major global indices

Global markets were shaped by the Middle East conflict and rising energy prices that boosted Energy (+40.3%), Utilities (+11.3%), and Materials (+7.2%), while all other sectors fell for the quarter.

The Composite outperformed its benchmark with a 1.19% quarterly net return—in part thanks to allocations in Korea and Norway. See attribution drivers on the following page.

⁵ Sources: MSCI, Bailard. The benchmark is the MSCI EAFE Index. The Bailard International Equity Strategy is implemented within the Bailard EAFE Plus Composite. Returns for periods greater than one year are annualized. Holdings discussed do not represent all securities bought, sold, or recommended for clients.

Attribution⁶

Stock selection added 133 basis points (bps) to Composite performance vs. MSCI country indices, and was positive across most geographies, except for the UK and Japan. Value stocks continued to be strong, while momentum and quality were volatile-to-negative.

Country allocation added 119 basis points (bps) vs. MSCI EAFE, and 67 bps vs. MSCI ACWI ex USA. Norway's country index returned 31.5% in Q1, benefiting from energy-driven performance; the Composite's overweight to Norway vs. the benchmark proved a tailwind. Among emerging markets, Korea continued its run of strength from 2025; the country index rallied 56% during the first two months to start the year, though it retracted by 25% in March. Taiwan was also relatively strong, on continued AI buildouts.

Top relative country contributors⁶

For the quarter ending 3/31/2026

	MSCI Country Index Return	Positioning vs. MSCI EAFE Index	Market	Country Allocation Contribution
Korea	16.54%	Overweight	Emerging	0.66%
Norway	31.49%	Overweight	Developed	0.24%
Denmark	-14.45%	Underweight	Developed	0.15%

Sources: MSCI, Bailard

Korea (+66 bps, 16.54%):

Outperformance continued from 2025 into January-February on AI/semiconductor exposure and value-up reforms (country index rallied 56% to start the year); March saw severe volatility as risk-off punished previous winners, but the quarter's total result remained very strong.

Norway (+24 bps, 31.49%):

The country's energy-driven economy and index benefited from higher oil & gas prices in March, as the country serves as alternate supply to disrupted Middle East peers.

Denmark (+15 bps, -14.45%):

Pharma giant Novo Nordisk continued to face competitive headwinds, leadership transitions, and disappointing drug trial results. The stock and country did hold up better than most in March, however.

Bottom relative country detractors⁶

For the quarter ending 3/31/2026

	MSCI Country Index Return	Positioning vs. MSCI EAFE Index	Market	Country Allocation Contribution
Australia	3.30%	Underweight	Developed	-0.24%
China	-8.94%	Overweight	Emerging	-0.11%
Spain	-3.24%	Overweight	Developed	-0.07%

Sources: MSCI, Bailard

Australia (-24 bps, 3.30%):

Commodities strength benefited Materials and Energy names within the country, which had lagged through most of 2025.

China (-11 bps, -8.94%):

Fears of AI disruption hurt many of the country's Internet giants; broader macroeconomics concerns, including energy sensitivity, were additional headwinds.

Spain (-7 bps, -3.24%):

Euro banks saw diminishing enthusiasm earlier in the year, compounded by cyclical concerns in March. The sector trend was more influential in Spain, given banks' heavy weighting in its index.

*Past performance is no indication of future results. All investments involve the risk of loss. ⁶ Sources: MSCI, Bailard. A basis point (bps) is equal to 0.01%. Country allocation contribution calculated by: (MSCI Country Index return – MSCI EAFE Index return for that country) * (Weight of country in Bailard portfolio – Weight of country in EAFE). Specific investments described herein may represent some but not all investment decisions made by Bailard. The reader should not assume 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. Bailard, Inc. makes no recommendation to buy or sell securities discussed in this section. This performance is not indicative of the past or future performance of the Bailard International Equity Strategy or any other Bailard product. The holdings identified do not represent all of the securities purchased, sold, or recommended for clients.*

HIGHER OIL & GAS PRICES: INDUSTRY IMPLICATIONS

The rapid repricing of energy amid a global supply shock such as that experienced in Q1 necessitates investors step back and re-evaluate the investing landscape. Elevated energy costs have historically been a sufficient catalyst to disrupt economic momentum, and macroeconomists at the International Monetary Fund and the World Bank have reacted by cutting global growth forecasts, increasing inflation estimates, and signaling downside risk to growth.

The changing backdrop will produce uneven impacts across the globe. This raises an important question: how do we expect volatility in energy prices to transmit to markets and alter the landscape of relative winners and losers? The analysis is inherently complex, but below are some examples where fundamental headwinds or tailwinds may be most felt if energy prices remain elevated. Some sectors fall into both categories – because, as we believe, where a company is matters.

Industries negatively impacted

Transportation

Petrochemical & Chemical Manufacturing

Use oil and gas for energy and “feedstock”

Fertilizer Industry

Natural gas is the primary raw material for nitrogen-based fertilizers; reduced supply may threaten global agricultural yields in coming years

Manufacturing & Heavy Industry

Agriculture & Food

Require diesel for farm equipment and transportation costs – and they’re also hit by higher fertilizer costs, a “double whammy”

Industries positively impacted

Non-Gulf Oil and Gas Producers

Refiners

The differential between (higher) input costs and end-market pricing can support margin strength

Non-Gulf Fertilizer Industry

Energy Resilience

Alternatives, as well as the Industrials, Utility and Materials companies that will help countries transition

Electric Vehicles

Investment Outlook⁷

While events in the Middle East continue to drive significant day-by-day market volatility, we remain confident that the portfolio and investment process are well-suited to navigate these twists and turns. Maintaining diversification across countries, and a careful balance of cyclicals and defensives, has enabled value-add for the portfolio in recent months' rising and declining markets. From that construction, portfolio adjustments have aimed to respond to shifting probabilities, as indicated by either quantitative or fundamental understanding. Higher energy prices' implications for growth, inflation, and interest rates add to risk for some European cyclicals such as banks and industrials, warranting various trims; by contrast, energy-exporting countries such as Canada could see relative strength, either directly in energy/energy-intensive producers or indirectly in cyclical sectors, and thus warranted purchases.

Even if the recent ceasefire leads to lasting peace, disruptive events are rarely short-lived: think about the ongoing political, economic, and financial reverberations of past election results, the COVID pandemic, or Brexit, for instance. Current uncertainty may seem much more one-dimensional, focused on closure of the Strait of Hormuz and reductions in energy supply. Evolving probabilities on this dimension will no doubt continue to drive market fluctuations in the near term, but predicting a precise outcome on this front is near-impossible. We believe a more fruitful aim is to maintain a portfolio that reflects this uncertainty today, and retain a robust process to adapt to yet-unseen future effects. Non-US equities have weathered numerous disruptions over recent years, all of which are embedded into the strong long-term results shown above. Although today's conditions may feel unsettling, we anticipate that, in hindsight, this period will appear as another phase within a broader pattern of resilience and strength.

⁷ Certain information may constitute forward-looking statements, identified by such terms as "may," "will," "should," "expect," "anticipate," "project," "estimate," "intend," "continue," or "believe," or the negatives thereof. Actual results may differ materially due to risks and uncertainties. Nothing herein should be relied upon as a guarantee or assurance of future results. Please see the back of this presentation for important disclosures. Past performance is no indication of future results. All investments involve the risk of loss.

Bailard International Equity Differentiators



“All-weather,” consistent performance



Core, diversified, EAFE plus opportunistic EM exposure



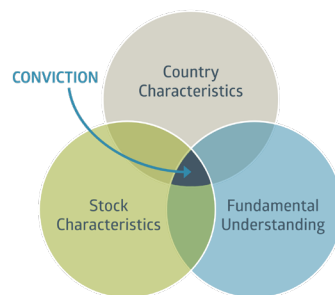
Integration of quantitative and fundamental insights to heighten conviction

Investment Criteria

- » Countries evaluated based on macro environment, volatility, liquidity, and behavioral signals
- » Stocks screened for value, momentum, earnings revisions, and quality
- » Opportunities prioritized where country, stock, and fundamental views align
- » Universe spans developed and emerging markets

Process

- » Identify Alpha Sources
 - Rank ~47 countries using proprietary behavioral and macro factors
 - Rank global stocks using value, momentum, earnings, and quality signals
- » Focus the Opportunity Set
 - Narrow universe based on combined country and stock rankings
 - Direct fundamental research toward highest-ranked opportunities
- » Build Conviction
 - Combine country ranking, stock ranking, and qualitative insights
 - Overweights reflect alignment across all three perspectives
- » Portfolio Construction
 - Allocate across countries, sectors, styles, and securities
 - Maintain broad exposure while expressing high-conviction views
- » Continuous Improvement
 - Use fundamental insights to refine quantitative models
 - Adapt to changing global market conditions



Risk Management

Active risk is managed through both quantitative and fundamental inputs, with tracking error typically constrained to approximately 4–6%. The strategy allocates its risk budget across country, currency, sector, and individual security exposures to maintain balance and diversification. Position sizing is disciplined, with individual securities rarely exceeding an active weight of about 2%.

Past performance is no indication of future results. All investments involve the risk of loss. Please see the last page for important disclosures as well as index and category definitions.

Portfolio Managers

Daniel McKellar, CFA

SVP, International Equity
Leads quantitative research and model development, driving enhancements in country and security selection. Works closely with the team to integrate quantitative signals with fundamental insights.

MS, Financial Mathematics, Stanford University; BA, Business Administration, Wilfrid Laurier University; BS, Mathematics, University of Waterloo

Eric P. Leve, CFA

EVP, International Equities
Leads country evaluation, macro, and thematic research.

BA, Quantitative Economics, University of California, Berkeley

Analysts

Irene Liando, CFA

Senior International Equity Analyst
Focuses on fundamental equity research and security selection across global markets. Plays a key role in translating company-level insights into portfolio decisions and portfolio construction.

BS, Business Administration, University of Southern California

Yelena Bobyor

International Equity Strategy Analyst
Leads top-down macroeconomic, thematic, and geopolitical research across global markets. Provides forward-looking insights on country, sector, and thematic opportunities.

BS, Business Administration, Haas School of Business at the University of California, Berkeley

Backed by Bailard’s broader equity research, quantitative analysis, and portfolio implementation teams.

Risks

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

Performance Disclosures

Composite Definition: The Bailard International Equity Strategy is implemented across two separate composites with a total AUM of \$1.2 billion as of March 31, 2026. All composite data and performance presented in this publication reflect the EAFE Plus Composite, previously called the Bailard International Equity Composite (the "Composite"), which consists of a discretionary, fee-paying account that is invested primarily in non-U.S. securities both in developed and emerging markets. As of March 31, 2026, the Composite consisted of a single mutual fund account with a market value of \$270.8 or 21.7% of the strategies' assets, which has been managed using a quantitative methodology in an advisory or sub-advisory capacity since 1995. Prior to that time, the portfolio was managed using a different strategy. The Composite's returns are total returns, presented both gross and net of management fees after transaction costs, and assume reinvestment of dividends and other earnings. Composite returns do not reflect a fiduciary fulfillment fee payable to Bailard (where applicable), or custody and other expenses not payable to Bailard which the composite account incurred. Through June 2009, gross of fee performance was calculated by grossing up the NAV performance by the annual expense ratio. Through March 2006, net of fee performance was calculated by netting down the gross return by a model fee of 0.95% on first USD 250M (applied by reducing monthly returns by 1/12 of 0.95%); 0.90% per annum thereafter. From April 2006 through June 2009, net of fee performance was calculated by netting down the gross return by a model fee of 0.475% on first USD 250M (applied by reducing monthly returns by 1/12 of 0.475%); 0.45% per annum thereafter. This model fee represents the highest management fee for the composite. From July 2009, both gross of fee and net of fee returns are taken directly from Bailard's portfolio accounting system, and net of fee performance was calculated by netting down the gross return by our actual management fee as of the date paid from each account. The composite's complete return history and a complete list of Bailard's composites are available upon request.

Individual account management and construction will vary depending on each client's investment needs and objectives, including liquidity needs, tax situation, risk tolerance and investment restrictions. Individual accounts may not have the same management fees, expenses, diversification, distributions, cash flows and currency hedging policies as the composite account. As a result, an account's actual performance may differ from the performance presented in this piece due to among other things, timing of investment, contributions and withdrawals, and the client's restrictions, such as restrictions of currency hedging. In addition, performance does not reflect the effects of taxation, which result in lower returns to taxable investors. An investment in the international equity strategy involves a risk of loss, and the value of an investment in this strategy may decrease as well as increase. No representation is made that any account will obtain similar results to those shown above.

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

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

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

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

Other Disclosures

The information in this publication is based primarily on data available as of March 31, 2026, and has been obtained from sources believed to be reliable, but its accuracy, completeness and interpretation are not guaranteed. In addition, this publication contains the opinions of the authors as of that date and such opinions are subject to change without notice. We do not think this publication should necessarily be relied on as a sole source of information and opinion. This publication is not a recommendation of, or an offer to sell or solicitation of an offer to buy any particular security or investment product. It does not take into account the particular investment objectives, financial situations or needs of individual clients. Bailard cannot provide investment advice in any jurisdiction where it is prohibited from doing so. #NMR



Published May 2026

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