Bailard

Bailard International Equity Strategy

Quarterly Report
June 30, 2026

Contents

Portfolio Team

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Q2 Highlights

1. The Bailard International Equity Strategy generated a 2Q26 total return of 13.52% net of fees – outperforming the benchmark MSCI EAFE Index's 10.82% gain, though trailing the more EM- and tech-heavy MSCI ACWI ex-USA Index (+14.49%).
2. Markets rebounded sharply as Middle East tensions de-escalated and the artificial intelligence investment theme reemerged as a dominant driver, with EAFE's Information Technology sector surging 55.1% for the quarter.
3. Country allocation led the Strategy's outperformance versus EAFE, driven by overweight positions in Korea and Taiwan; stock selection also contributed, led by Japanese semiconductor-supply-chain holdings.
4. Effective June 30th, Eric Leve, CFA retired after 39 years at Bailard; Irene Liando, CFA was named Portfolio Manager, after nearly three years as a key contributor on the team, providing fundamental analysis, research, and stock selection.

Market Commentary[1]

The second quarter marked a strong reversal from Q1's turmoil, as global equities shook off the geopolitical shock that had weighed on markets earlier in the year. Resilient economic fundamentals, better-than-expected corporate earnings, and hopes for de-escalation in the Middle East drove a decisive risk-on environment: the MSCI EAFE Index advanced 10.82%, MSCI ACWI ex-USA gained 14.49%, and MSCI Emerging Markets climbed 24.05%. A 14-point US-Iran memorandum succeeded in halting the four-month conflict and raised expectations for the reopening of the Strait of Hormuz, sending oil prices sharply lower toward pre-conflict levels. Though allegations of violations by both sides left the truce, and prospects for lasting peace, fragile.

Despite the decline in energy costs, central banks largely held a hawkish line amid persistent inflation pressures. The Federal Reserve, under new Chair Kevin Warsh, delivered a unanimous rate hold in June, signaling a tighter policy bias; the Bank of England, Swiss National Bank, the Reserve Bank of Australia, and the Bank of Canada held as well. The European Central Bank raised rates 25 basis points, while the Bank of Japan lifted rates to 1% — its highest level since 1995 — continuing its shift toward policy normalization.

Against this backdrop, renewed conviction in the AI buildout propelled EAFE's Information Technology sector to a 55.1% quarterly return, as US hyperscalers raised 2026 capex guidance to roughly $700 billion, signaling acceleration rather than plateau. Sentiment was further buoyed by SpaceX's blockbuster IPO, with shares surging nearly 50% before paring gains on profit-taking.

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.***

As of June 30, 2026

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 6/30/2026[2]

	Portfolio	MSCI EAFE Index
Weighted Average Market Cap	$149.2 B	$131.5 B
Weighted Average P/E Ratio (trailing 12 months)	17.4x	18.8x
# of Holdings	184	673
% Developed Markets	91.1%	100.0%
% Emerging. Frontier, and Other Markets	8.2%	--
% Cash and Other	0.8%	--

Regional Weights

Representative Portfolio, as of 6/30/2026[2]

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%

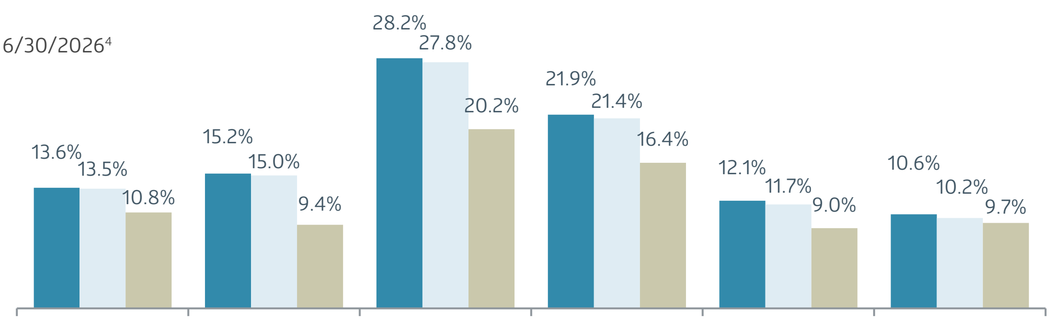
Characteristics & Targets

vs. MSCI EAFE, measured at time of investment[3]

# 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 6/30/2026[4]



Trailing Return	Quarter	YTD	1 Year	3 Year	5 Year	10 Year
Composite, Gross of Fee	13.62%	15.21%	28.23%	21.89%	12.15%	10.62%
Composite, Net of Fee	13.52%	15.02%	27.78%	21.44%	11.73%	10.21%
MSCI EAFE Index	10.82%	9.44%	20.23%	16.44%	9.05%	9.66%

Active Return	Quarter	YTD	1 Year	3 Year	5 Year	10 Year
Composite, Gross of Fee, vs. Index	2.80%	5.76%	8.00%	5.45%	3.10%	0.96%
Composite, Net of Fee, vs. Index	2.70%	5.57%	7.55%	5.00%	2.69%	0.55%

	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	13.18%	13.18%	13.27%	15.56%	15.56%	15.41%
Tracking Error, Net of Fee, vs.			1.74%			2.10%
Information Ratio, Net of Fee, vs.			2.87			1.28

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 & Performance[5]

For the quarter, the Bailard International Equity Strategy generated a return of 13.52% net of fees — outperforming MSCI EAFE (+10.82%) but trailing MSCI ACWI ex-USA (+14.49%) and MSCI Emerging Markets (+24.05%), both of which carry greater exposure to the quarter's leadership. Within EAFE, Information Technology led decisively at +55.1%, followed by Financials (+14.4%), Industrials (+9.0%), and Consumer Discretionary (+8.4%); Energy was the clear laggard at -17.0%, as oil prices retreated. Hardware- and semiconductor-heavy markets led country returns — Korea (country index +87.6%), Taiwan (+48.9%), and the Netherlands (+36.0%) — alongside a rally in Hungary (+33.4%) following a change in government. Energy-sensitive markets lagged, including Norway (-14.1%), Brazil (-8.2%), and Indonesia (-26.2%), alongside China (-6.6%) and Hong Kong (-6.2%).

Country allocation was the primary driver of relative performance, adding roughly 240 basis points (bps) versus EAFE, with stock selection contributing an additional ~37 bps. The Strategy's overweight to Korea was the largest contributor (+233 bps), followed by Taiwan (+47 bps) and an underweight to Australia (+24 bps); overweights to China (-20 bps), Norway (-17 bps), and Canada (-13 bps) detracted as those markets underperformed. At the security level, top contributors included Murata Manufacturing (+76 bps), Screen Holdings (+39 bps), Tokyo Electron (+38 bps), LG Electronics (+36 bps), and Panasonic Holdings (+29 bps) — all benefiting from AI-related demand for semiconductor and electronic components. Detractors included Kia Corp (-53 bps) on weaker auto demand, along with not holding Kioxia Holdings (-29 bps) and Banco Santander (-14 bps), both of which rallied strongly.

Positioning remained relatively stable: the top-ranked developed markets — the Netherlands, Japan, Spain, Hong Kong, and Austria — held their standing throughout the quarter, joined by Finland early on (as Nokia was increasingly viewed as an AI beneficiary) and Switzerland in June. Canada's ranking declined alongside fading oil prices, as did Portugal's. Purchases modestly added to the Netherlands, Japan, and Switzerland, while trims reduced exposure to the UK, Germany, and South Korea — a deliberate recalibration given Korea's outsized quarterly gain. At quarter-end, South Korea (+3.3%), and Canada (+2.6%) remained the strategy's largest country overweights, with Australia (-4.7%) the largest underweight; by sector, Information Technology (+4.0%) was most overweight and Financials (-4.0%) most underweight versus EAFE.

Country allocation: the Composite's primary driver of relative Q2 performance

> *The Composite's allocations in particular to emerging markets Taiwan and Korea boosted relative performance (+233 and +47 bps, respectively), thanks to each country's booming AI-related industries.*

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.

Attribution[6]

Stock selection added approximately 37 bps to the Strategy's performance versus MSCI EAFE, while country allocation contributed roughly 240 bps — together driving the quarter's outperformance.

Top relative country contributors[6]

For the quarter ending 6/30/2026

	MSCI Country Index Return	Positioning vs. MSCI EAFE Index	Market	Country Allocation Contribution
Korea	87.58%	Overweight	Emerging	+2.33%
Taiwan	48.86%	Overweight	Emerging	+0.47%
Australia	5.06%	Underweight	Developed	+0.24%

Sources: MSCI, Bailard

Bottom relative country detractors[6]

For the quarter ending 6/30/2026

	MSCI Country Index Return	Positioning vs. MSCI EAFE Index	Market	Country Allocation Contribution
China	-6.63%	Overweight	Emerging	-0.20%
Norway	-14.14%	Overweight	Developed	-0.17%
Canada	6.03%	Overweight	Developed	-0.13%

Sources: MSCI, Bailard

Korea (+233 bps, 87.58%):
Increased confidence in the sustainability of the AI capex cycle boosted index giants Samsung Electronics and SK Hynix, both of which posted record profits during the quarter.

Taiwan (+47 bps, 48.86%):
Semiconductor manufacturers continued to benefit from optimism around AI-related capital spending.

Australia (+24 bps, 5.06%):
The country's miners performed well, but the Strategy's underweight to financials (viewed more skeptically given elevated valuations) added to relative performance.

China (-20 bps, -6.63%):
Tepid trends among Chinese consumers, along with concerns over AI's disruptive impact on the country's internet giants, weighed on relative performance.

Norway (-17 bps, -14.14%):
Falling oil prices, as the Middle East conflict cooled, reversed Norwegian equities' Q1 strength.

Canada (-13 bps, 6.03%):
Also negatively impacted by falling oil prices, despite a positive absolute return; Canada sits outside the EAFE benchmark, so this reflects an out-of-index overweight.

*__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.*

Investment Outlook[7]

While the past quarter saw Middle East concerns give way to renewed AI-driven confidence, the month of July has again shown how quickly market narratives can shift. The US-Iran 14-point agreement has broken down, with renewed attacks and blockade threats to the Strait of Hormuz — though Strait traffic itself never significantly resumed even during the truce. At the same time, shares of AI beneficiaries faced mounting pressure, as the prior quarter's strong returns have left investors demanding increasingly stronger fundamental performance and guidance to justify current valuations.

This shifting environment continues to reward investors who remain disciplined, adaptable, and focused on longer-term impacts rather than short-term narratives. We believe our all-weather approach — blending quantitative country and stock evaluation with fundamental oversight — remains well-suited to navigate these twists and turns, and we expect this discipline to remain critical for the quarters and years ahead. Non-US equities have weathered numerous disruptions in recent years, each ultimately absorbed into the Strategy's longer-term track record, and we continue to see today's environment as one chapter within a broader, ongoing story of resilience.

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

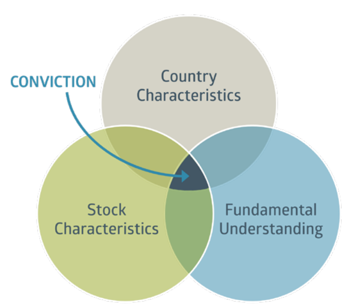
» Identify Alpha Sources
Rank ~47 countries using proprietary behavioral and macro factors
Rank global stocks using value, momentum, earnings, and quality signals

» 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%.

Portfolio Managers

Daniel McKellar, CFA
SVP, International Equities
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

Irene Liando, CFA
VP, International Equities
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.

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

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.*

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 $1.4 billion as of June 30, 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 June 30, 2026, the Composite consisted of a single mutual fund account, 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 fulfilment 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 indicies 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 June 30, 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

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