Bailard

Bailard International Equity Strategy

Quarterly Report
September 30, 2026

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Portfolio Team



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Q3 Highlights

1. The Bailard International Equity Strategy generated a 3Q26 total return of 0.74% net of fees, compared with 0.81% for the MSCI EAFE Index. Year to date, the Composite led the Index by 5.56% net of fees.
2. Global equities edged upward despite elevated energy prices, persistent inflation, and tighter monetary conditions. The Federal Reserve raised rates by 25 basis points in September, its first increase since 2023.
3. AI was again a source of volatility. Technology remained the worst-performing EAFE sector (-8.3%), but a 21.6% rebound in EAFE software marked a notable change in leadership.
4. Underweights to France and Switzerland helped active return; the overweight to Korea with its exposure to semiconductors detracted.

Market Commentary[1]

Global equities edged upward in the third quarter, extending gains despite a more difficult backdrop of elevated energy prices, persistent inflation, and tighter monetary conditions. MSCI EAFE returned 0.81%, ahead of Emerging Markets (-0.37%) and ACWI ex-US (+0.48%) but trailing the S&P 500 (+2.30%). Solid corporate earnings and economic growth, as well as healthy labor markets in many regions, supported the advance.

Rising yields defined the macro narrative as a sell-off in global bonds tempered equity gains. Government bond yields climbed to multi-year highs: US long-dated yields reached their highest levels in over 20 years, the German 10-year Bund yield hit a 17-year high, and Japan's 10-year JGB reached its highest level in roughly 30 years. Major central banks shifted in a more hawkish direction. The Federal Reserve raised rates by 25bps in September, its first increase since 2023, and signaled that further hikes are likely. Similarly, the ECB, BoJ, and RBA continued tightening.

Artificial intelligence was again a source of volatility. Global technology stocks sold off in July as concerns about the durability of AI investment spending resurfaced, and volatility returned in September when leaders of leading AI developers called for a slower pace of frontier model development.

Sources: Bailard, Inc., Morningstar, MSCI. 1 The Bailard International Equity Strategy is implemented across four 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. A basis point (bps) is equal to 0.01%. ***Past performance is no indication of future results. All investments have the risk of loss.***

As of September 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 9/30/2026[2]

	Portfolio	MSCI EAFE Index
Weighted Average Market Cap	$175.2B	$127.5B
Weighted Average P/E Ratio (trailing 12 months)	16.5x	17.4x
# of Holdings	182	656
% Developed Markets	90.8%	100.0%
% Emerging. Frontier, and Other Markets	8.3%	--
% Cash and Other	0.9%	--

Regional Weights

Representative Portfolio, as of 9/30/2026[2]

Continental Europe	42.7%
Japan	25.5%
United Kingdom	14.7%
Emerging Markets	8.3%
Pacific ex-Japan	5.5%
Other Developed	2.4%
Cash and Other	0.9%

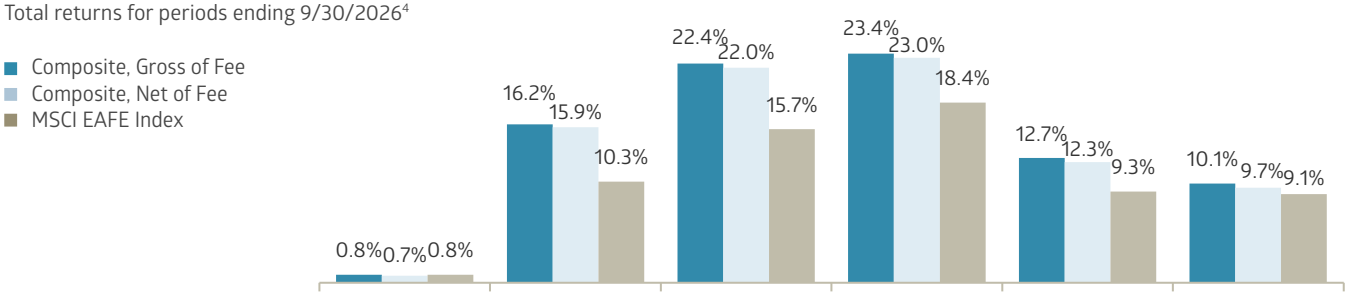
Characteristics & Targets

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 9/30/2026[4]



Trailing Return	Quarter	YTD	1 Year	3 Year	5 Year	10 Year
Composite, Gross of Fee	0.83%	16.18%	22.38%	23.41%	12.73%	10.13%
Composite, Net of Fee	0.74%	15.89%	21.97%	22.96%	12.32%	9.72%
MSCI EAFE Index	0.81%	10.33%	15.69%	18.40%	9.32%	9.07%

Active Return	Quarter	YTD	1 Year	3 Year	5 Year	10 Year
Composite, Gross of Fee, vs. Index	0.01%	5.84%	6.69%	5.01%	3.41%	1.06%
Composite, Net of Fee, vs. Index	-0.07%	5.56%	6.28%	4.56%	3.00%	0.65%

	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	12.79%	12.78%	12.84%	15.50%	15.50%	15.43%
Tracking Error vs. Index	1.82%	1.82%		2.06%	2.06%	
Information Ratio vs. Index	2.75	2.50		1.66	1.45	

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 returned 0.74% net of fees (0.83% gross), compared with 0.81% for MSCI EAFE. Energy led EAFE sectors (+19.7%) on heightened Middle East tensions, followed by Communication Services (+7.2%). Technology was the worst performer (-8.3%), followed by Utilities (-4.1%) and Real Estate (-4.0%). Beneath the headline, the Software sub-sector rebounded 21.6% after a prolonged period of underperformance, as results pointed to resilient earnings and growing evidence that AI is serving as a tailwind rather than a threat.

Among developed markets, Singapore (+13.4%) led, followed by Norway (+11.5%), Ireland (+9.9%), and Portugal (+9.1%), while Denmark (-6.9%), Switzerland (-5.7%), and France (-5.5%) lagged. The UK delivered a modest positive return (+1.9%), helped by its lower technology exposure and the removal of a key political overhang. Among emerging markets, Poland (+17.2%), Colombia (+17.2%), and Greece (+15.4%) rose most, while Korea (-9.6%) fell largely due to the reversal of Semiconductor firms from prior strength.

In sum, country allocation was a mild contributor to active return, while an overweight to Technology detracted slightly. Our country ranking model's measure of global volatility fell at quarter-end, as the initial market reaction to Iran hostilities seven months ago fell out of its six-month lookback. Among developed markets, Japan remained highly ranked, with momentum now behind it; Finland, Austria, and Spain remained top-ranked largely due to continued momentum. With a new and popular PM (at least initially), the UK rose significantly on improved political stability. Through the quarter, purchases most significantly added to the UK, Switzerland, and Sweden allocations, while sales trimmed the Composite's allocations in Germany and France and removed the Composite's small allocation to Israel.

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]

Country allocation was a mild contributor to active return in the third quarter, while an overweight to Technology detracted slightly.

Top relative country contributors[6]

For the quarter ending 9/30/2026

	MSCI Country Index Return	Positioning vs. MSCI EAFE Index	Market	Country Allocation Contribution
France	-5.52%	Underweight	Developed	+0.19%
Switzerland	-5.69%	Underweight	Developed	+0.12%
Netherlands	-5.00%	Varied	Developed	+0.08%

Sources: MSCI, Bailard

Bottom relative country detractors[6]

For the quarter ending 9/30/2026

	MSCI Country Index Return	Positioning vs. MSCI EAFE Index	Market	Country Allocation Contribution
Korea	-9.57%	Overweight	Emerging	-0.29%
Australia	1.66%	Underweight	Developed	-0.05%
UK	1.90%	Underweight	Developed	-0.05%

Sources: MSCI, Bailard

France (+19 bps, -5.52%):
The underweight paid off as the market lagged amid a confluence of fiscal, political, and interest rate concerns, along with substantial weight in lagging industries such as luxury.

Switzerland (+12 bps, -5.69%):
The Swiss mix of defensives and AI infrastructure names lagged amid broader economic optimism.

Netherlands (+8 bps, -5.00%):
The portfolio was correctly underweight earlier in the quarter when the country's Tech names faced headwinds.

Korea (-29 bps, -9.57%):
Memory chip makers and broader index pulled back in July following a strong first half of the year (+118.6%) and 2025 (+99.8%).

Australia (-5 bps, +1.66%):
Mining and healthcare did well; the portfolio was exposed to the former but underweight the latter, as well as Australian banks.

UK (-5 bps,+1.90%):
Rising prices benefited the energy sector; the new prime minister may also have boosted sentiment.

*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]

Investors' focus on interest rates and their link with equities is likely to continue in the near term. Optimistically, higher real rates are an outcome of stronger demand for capital, with real investment opportunities in artificial intelligence and the broader economy offering attractive returns in both equity and debt. This view is supported by recent positive economic surprises, as well as broad earnings growth. More pessimistically, higher rates may tighten financial conditions, compressing valuations and equity upside. The evidence so far leads us towards a more optimistic outlook, particularly given central banks' flexibility to respond to data and adjust policy as needed to avoid excessive tightening.

Nonetheless, both real yields and the scale and breadth of earnings growth – at least outside of recessionary recoveries – sit toward the upper end of what investors have experienced over the past generation. Such an unusual environment reinforces our belief that portfolio construction must remain robust to a multitude of possible macroeconomic and market outcomes, rather than dependent on any single forecast. Retaining a portfolio with a variety of industry, economic, and geographic exposures, and approaching the opportunity set with a range of quantitative and qualitative tools remains, in our view, the best way to navigate such an environment.

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

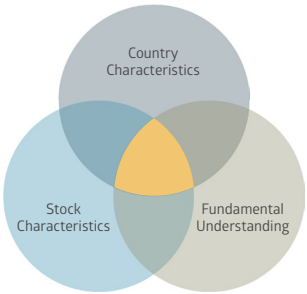
- "All-weather," consistent performance
- Core, diversified, EAFE plus opportunistic EM exposure
- Integration of quantitative and fundamental insights to heighten conviction

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
Director, International Equity Research
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; BBA, Business Administration, Wilfrid Laurier University; BMath, Mathematics, University of Waterloo

Irene Liando, CFA
VP, International Equities
Leads fundamental equity research across global markets; industry- and company-level insights directly impact security selection and portfolio construction.
BS, Business Administration, University of Southern California

Analysts

Vivian Guo
VP, International Equities
Contributes macroeconomic insights, country and geopolitical analysis, and thematic research that plays a key role in shaping portfolio decisions.
MBA, Wharton School; MIS, Lauder Institute at the University of Pennsylvania; BA, International Economics and Politics, Middlebury College

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 four separate composites as of September 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 September 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 September 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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