

Bailard

Message from the Chairman



From its start, Bailard has pursued the idea that our firm's growth emerges from the successful balancing of stability and change. Markets are never static. Long-term investment success therefore requires a constant blend of dynamic innovation to exploit new opportunities and stabilizing discipline to tame risk. The ideal strategy balances a passion for growth with a commitment to prudence. No one individual has the skill and temperament to pull off such a balance. It takes group intelligence. Building the strategies, disciplines and teams to exploit this dynamically-stable model for investing is the story of Bailard's success. The ability to provide our clients with a consistent and dependable solution stems from a story played out in three stages of growth so far.

Stage One was the founding partnership of Larry Biehl, Ron Kaiser and me, three creative thinker-entrepreneurs. Over the first twenty years, we developed and tested our new investment firm, producing some original products in the industry, while also shaping the necessary organizational structure: collaborative, idea and data driven, results-, integrity- and client-focused.

Stage Two began in 1990 when Ron pulled-back and Larry retired. I chose to stay to enhance our three-partner structure with a cohort of senior managers, each with their own teams, with me as a managing leader. In a steady transition, Bailard emerged as an even greater value-generating engine, rich with brain-power, experience and passion for innovation, and grounded in sophisticated risk analysis and management practices. The success of the international equity team, led by Peter Hill, highlights how Bailard's investment approach can deliver intelligently designed products and solid, consistent results.

Stage Three began five years ago, when I concluded that to sustain our firm's growth and continuity, the talent we'd amassed deserved and needed new creative challenges and rewards. I set about giving our emergent leaders the opportunity to take things to the next level. The upshot of this dynamic move is that we've elevated ourselves to a robust and expanded leadership group. Therefore I am pleased to announce that

- I have transitioned the role of CEO, but remain as Chairman of Bailard and also Chairman and CEO of the firm's private real estate funds.
- Peter Hill, 23 years with Bailard, is now Bailard's Chief Executive Officer. He continues also as lead portfolio manager of the Bailard international equity strategy.
- Burnie Sparks, 26 years with firm, has been appointed President of Bailard, as he continues to oversee the management and direction of the firm's client group, and
- Sonya Thadhani, 14 years with the firm, is now our Chief Investment Officer, charged with the direction and oversight of the investment processes and decisions of Bailard portfolio managers. She also continues as portfolio manager of our large growth/technology equity strategy.

The additional members of the senior management team, Barbara Bailey, Chief Financial Officer, and Diana Dessonville, Director of Business Development, continue in their long-term roles.

Our excellent wealth management client retention rate in part, exemplifies our clients' appreciation of the reliability that comes with our unique organizational stability and continuity. On behalf of all of us at Bailard, I hope you will join me in congratulating Peter, Sonya and Burnie on their well deserved new titles—the official acknowledgement of the roles they've been serving Bailard in these past several years. The senior management team's handling of the day-to-day has afforded me the opportunity to work at the strategic level that captures my imagination. I am quite pleased, frankly, with how this almost 40 year experience with dynamism and stability is turning out. Bailard has never displayed more of either than it does today, and that is a claim we are honored to carry forward on your behalf.

Sincerely,
Thomas E. Bailard