Bailard



Bailard Real Estate Fund

Quarterly Report
September 30, 2026

Mansfield Stop & Shop, Mansfield, MA

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Fund Management



TESS GRUENSTEIN
Fund Co-CEO; Head of Portfolio Management



JAMES PINKERTON
Fund Co-CEO; Head of Investments

Quarter at a Glance

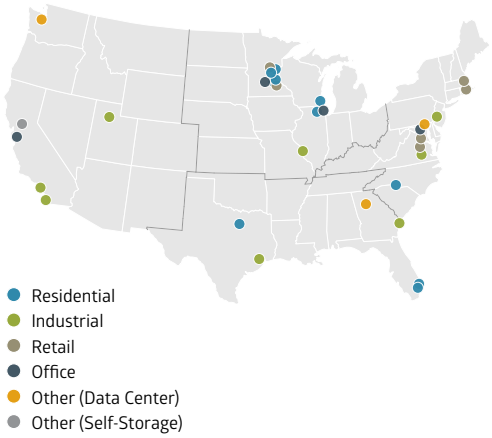
as of September 30, 2026

GROSS VALUE	NET VALUE	DEBT (LTV)	PROPERTIES	MARKETS	AVG. SIZE	% LEASED
$1,328 M	$973 M	21%	30	21	$41 M	94.6%

The Bailard Real Estate Fund (BREF) delivered its ninth consecutive quarter of positive returns, supported by growing income returns and significant appreciation across select investments.

Performance

- Q3 return: 2.2% gross of fee / 2.0% net of fee
- Outperformed NFI-ODCE (EW) Index by 42 basis points (bps), net, for the quarter



Portfolio & Operations

- 95% leased, up from 94% the prior quarter
- Weighted average commercial lease term: 5.0 years
- The office portfolio increased to 88% leased from 78% the prior quarter. Data center and self-storage assets rose to 100% leased, from 78%. Industrial dipped to 95% from 99%, and retail decreased to 92% from 96%.
- Total Net Operating Income (NOI): -1.4% for the year ended Q3 2026 vs. year ended Q3 2025
- Same-store NOI: 2.1%, year ended Q3 2026 vs. year ended Q3 2025

Capital & Investment Activity

- Cash: $93 million, or 7% of Gross Asset Value (GAV)
- Completed the disposition of Nottingham 7941 in White Marsh, MD (office) and Shoppes at Knightdale in Knightdale, NC (retail)
- The investment pipeline continues to present attractive opportunities, although underwriting has become more challenging, and volume has moderated amid increased volatility in the debt markets

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Letter to Investors

from Fund Management

The Fund returned 2.2% gross-of-fee (2.0% net-of-fee) in the third quarter, 42 basis points ahead of the NFI-ODCE Equal Weight Index, on a net basis. Appreciation led the quarter's result, driven by Shoppes at Knightdale and the Perimeter East Data Center.

This quarter's results spotlight the Fund's active asset management capabilities, and represent the culmination of several years of persistence, diligence, and effort. The team delivered several long-expected wins. First, the team closed the disposition of the Shoppes at Knightdale, above its June 30 carry value. The Fund bought the power center property in 2019, when power centers were still out of favor, and executed a multi-year re-leasing effort that increased its lease length and improved the center's credit profile and tenant mix. With the project fully leased and stabilized, the Fund identified a recent tailwind in the transaction market and sold into strong institutional investor demand for retail.

The second win for the quarter was the valuation increase at Perimeter East Data Center, after the Fund signed a 20-year lease with a data center operator. While the property had been vacant since 2020, the building was ultimately leased because it was in a good location and the Fund invested early in upgrading the power capacity to meet tenant needs in today's marketplace. These two "wins" are the kind of investing that the Bailard Real Estate Fund excels in: creating value through hands-on asset management. This investment style is all the more important as we face challenges from high interest rates and stubborn inflation.

On the horizon, we see several bright spots within the portfolio. Lease negotiations continue at West Willows Technology Center, along with the power upgrades at District 237 in Silicon Valley. The Fund's two multifamily developments (750 Curtiss and Maple Pond Townhomes) continue to show strong construction progress, as both are on time and on budget going into the winter months.

The Fund made no acquisitions during the quarter. The team, however, continues to source a number of interesting

Looking ahead

- *Redeployment of capital following the successful sale of Shoppes at Knightdale*
- *Complete key refinancings by Q1 2027*
- *Continue leasing efforts at District 237 and West Willows*

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opportunities across a wide variety of markets and product types.

The Fund is managing some headwinds.

- Treasury yields rose sharply in the third quarter. This led to some repricing, or discussion of repricing, of acquisitions throughout the industry. Midterm election results raise the likelihood of tighter data center regulation, which could slow AI-related investment, a key driver of economic growth.
- Underlying fundamentals are proving resilient, but inflation and borrowing rates continue to pressure the real estate market overall. The 5- and 10-year Treasury yields steeply increased in the third quarter, ending 90 bps and 85 bps higher than the prior quarter. The debt markets remain open for business, but at a higher cost. Higher debt costs are hard to offset in today's inflationary environment, and the transaction market is showing signs of slowing as pricing implications are addressed. Unemployment and consumer spending indicate a more stable consumer than sentiment surveys would suggest.
- The Fund saw valuation declines in its Minneapolis multifamily assets, Lowa46 and Beck46, as higher interest rates and weaker investor demand pushed capitalization rates up.

With pricing still adjusting to higher rates, the Fund will stay selective and look for assets that meet our return criteria and add near-term cash flow. The team at BREF is available to answer any questions about the Fund or market conditions.



Tess Gruenstein
BREF Co-CEO
Head of Portfolio Management



James Pinkerton
BREF Co-CEO
Head of Investments

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Part I · Fund

Fund-level performance, operating results, and portfolio positioning.

Performance

as of September 30, 2026

The Fund's Q3 total return was 2.2% gross of fee and 2.0% net, supported by stable income and positive appreciation—its highest appreciation return since Q3 2022.

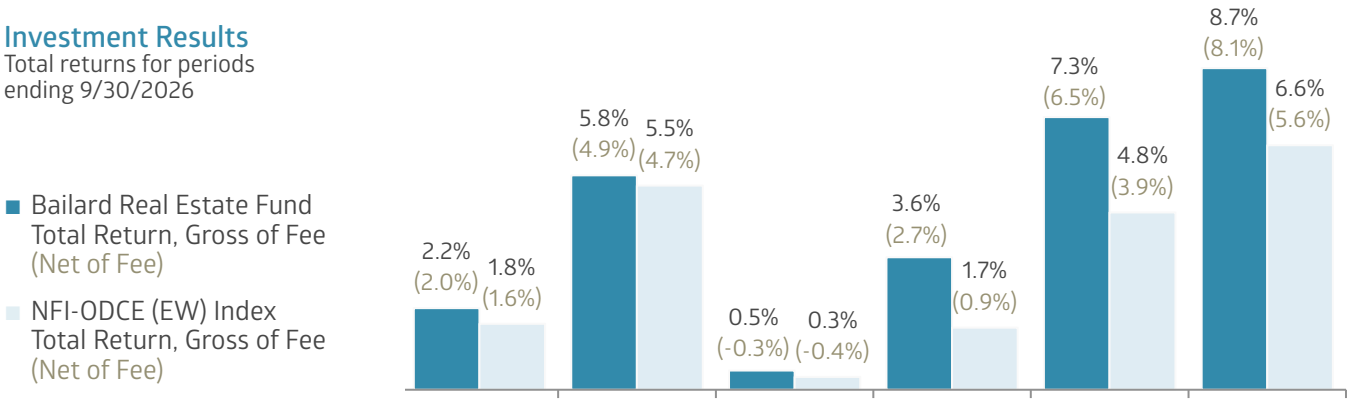
Relative performance was ahead of the NFI-ODCE (EW) Index benchmark by 42 basis points, net-of-fee, for the quarter. Over five- and ten-year periods, net results remain ahead of the Index by 185 and 254 basis points, respectively.

Performance during the quarter reflected stable asset-level fundamentals, improving income returns, positive disposition activity, and strong appreciation across select assets. The income return reached its highest level since Q4 2020. Realized gains from disposition activity and appreciation from two assets more than offset depreciation elsewhere, resulting in positive net appreciation across the portfolio.

Positive contributions were driven primarily by the Fund's retail and data center properties, along with select industrial and office assets. Negative contributions were primarily concentrated in residential properties amid rising yield rates.

Investment Results

Total returns for periods ending 9/30/2026



	Qtr	1-Yr	3-Yr	5-Yr	10-Yr	Since Inception (4/90)
Bailard Fund, Gross of Fee	2.2%	5.8%	0.5%	3.6%	7.3%	8.7%
NFI-ODCE (EW), Gross of Fee	1.8%	5.5%	0.3%	1.7%	4.8%	6.6%
Relative Performance, Gross of Fee	**+43 bps**	**+28 bps**	**+17 bps**	**+190 bps**	**+258 bps**	**+208 bps**
Bailard Fund, Net of Fee	2.0%	4.9%	-0.3%	2.7%	6.5%	8.1%
NFI-ODCE (EW), Net of Fee	1.6%	4.7%	-0.4%	0.9%	3.9%	5.6%
Relative Performance, Net of Fee	**+42 bps**	**+23 bps**	**+12 bps**	**+185 bps**	**+254 bps**	**+241 bps**

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Contribution to Return

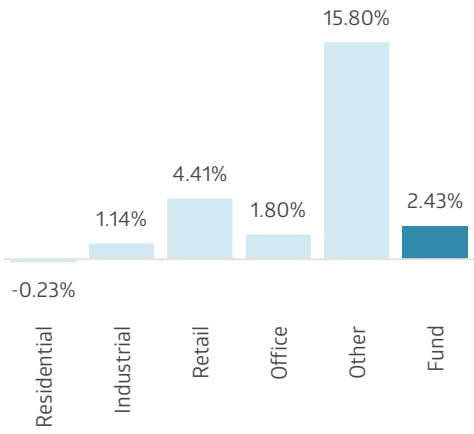
Q3 performance was supported by higher income across the portfolio and positive appreciation. All sectors contributed positively except residential. The Fund's data centers (grouped with self-storage as "Other" in the chart at right) were the top gainer by a wide margin, followed by retail. Industrial and office were mixed at the asset level but positive overall.

Specific assets drove sector-level results. The new 20-year lease at Perimeter East Data Center lifted value 55.5%, generating a weighted contribution to return of 1.2%. Despite a small dip in overall occupancy, retail remained well leased and broadly benefited from steady income returns. Charter Colony led due to its income, with modest appreciation. Retail also benefited from the sale of Shoppes at Knightdale, which does not appear among the top five contributors because properties sold during the quarter are excluded from this analysis. Even so, the sale was a key contributor to the Fund's overall return, closing meaningfully above the prior quarter's carrying value and adding 0.3% to overall return.

Industrial gains were led by Georgia Trade Center, Highland Business Park, and Fullerton Industrial, partially offset by Waterville Industrial and South Logistics Center in softer markets. Within office, largely income-driven gains at District 237 and Flying Cloud offset a decline at Fairview Park. Residential was the sole detracting sector, though the impact was modest, driven by declines at Lowa46 and Beck46 in Minneapolis, the Fund's two weakest performers in Q3.

Contribution to Return by Sector*

Investment-level return, as of 9/30/2026



Top and Bottom Contributors*

Investment-level returns, excluding assets acquired or sold during Q3, as of 9/30/2026

Top 5 contributors	Property type	% of portfolio equity	Investment-level return	Weighted contribution
Perimeter East Data Center	Other (Data Center)	3.3%	55.7%	1.16%
Georgia Trade Center	Industrial	7.2%	2.3%	0.16%
West Willows Technology Center	Other (Data Center)	4.4%	3.5%	0.15%
Highland Business Park	Industrial	10.9%	1.3%	0.14%
Fullerton Industrial	Industrial	10.1%	1.1%	0.11%
Bottom 5 contributors				
Lowa46	Residential	2.6%	-8.9%	-0.25%
Beck46	Residential	1.3%	-12.6%	-0.19%
Fairview Park	Office	1.2%	-3.7%	-0.05%
Waterville Industrial	Industrial	1.6%	-1.1%	-0.02%
El Dorado Self-Storage	Self-Storage	0.4%	-0.3%	0.00%

** The investment-level returns for residential are inclusive of the two retail components at C&E Flats and Lowa46, as the debt and equity contributions are not separated by product type.*

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Operating Overview

as of September 30, 2026

As of September 30, 2026, the Fund had a Gross Asset Value of approximately $1.33 billion and Net Asset Value of $973 million, with investments across 30 properties.

The portfolio remains well diversified across property types and geographies, with a continued emphasis on core operating assets.

The Fund's property portfolio Net Operating Income (NOI) decreased by 1.4% year-over-year (year ended Q3 2026 vs. year ended Q3 2025). Measured on a "same-store" basis (excluding properties not owned or not yet operational for the entire measurement period), NOI increased by 2.1% year-over-year.

The "NOI Growth" exhibit below reflects sector-level information, with further NOI detail for each sector provided in the section titled, "Property Sector Reports."

Capital flows during the quarter were negative; the Fund received $4.975 million in purchase requests and $9.143 million in redemption requests. The Board approved sufficient liquidity to fill all redemption requests in full, resulting in a net outflow of $4.168 million.

NOI Growth*

Same-store, year-over-year, periods ending September 30

Property type	Trailing 12 Months ending	
	Q3 2025	Q3 2026
Residential	3.2%	3.5%
Industrial	2.6%	-4.8%
Retail	10.1%	-0.8%
Office	-13.0%	25.5%
Other (Data Center)	7.5%	14.1%
Other (Self-Storage)	N/A	N/A
Fund Total	**2.0%**	**2.1%**

Fund Summary

as of 9/30/2026

# of Properties	30
% Core / Operating	96%
% Leased	95%
Property Portfolio Leverage	21%
Weighted Avg. Remaining Lease Term (commercial assets)	5.0 years
Current NAV/Share	$31.78
Dividend Paid/Share (Qtr)	$0.30
Dividend Yield (Trailing 12M)	2.4%
Purchase or Redemption Queue	None

Fund Balance Sheet

as of 9/30/2026

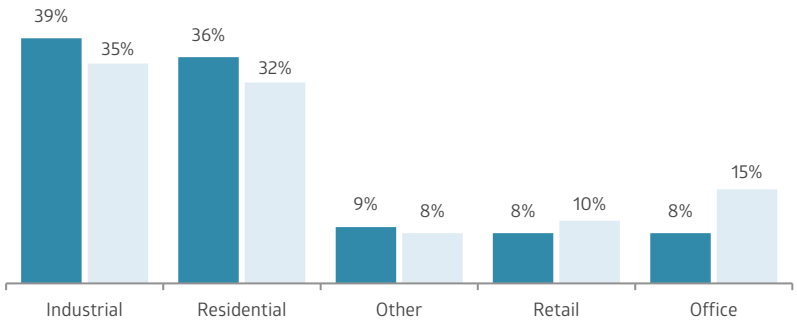
Property Portfolio	$1,226.6 M
Cash & Equivalents	$93.3 M
Restricted Cash	$3.1 M
Other Assets	$4.8 M
Gross Asset Value (GAV)	$1,327.8 M
Debt	$279.1 M
Dividends Payable	$9.2 M
Other Liabilities	$24.4 M
Net Asset Value (NAV)	$1,015.1 M
Noncontrolling Interests in Joint Ventures (JVs)	$42.2 M
Net Asset Value after Minority Interests	$972.9 M

** C&E Flats' retail component is included in the residential sector for property count, diversification, and NOI due to its small relative size.*

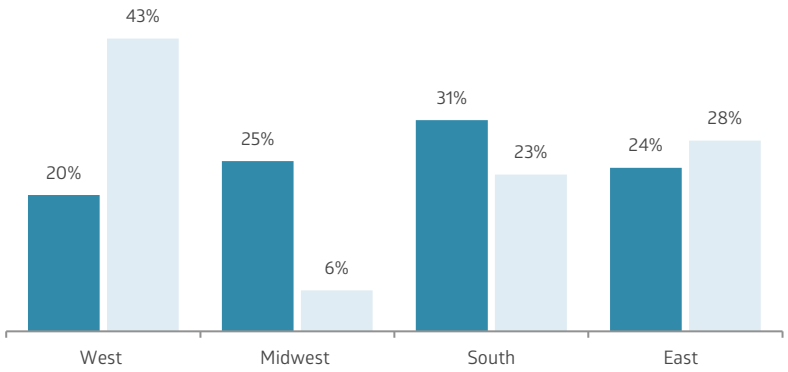
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Fund Diversification
as of 9/30/2026

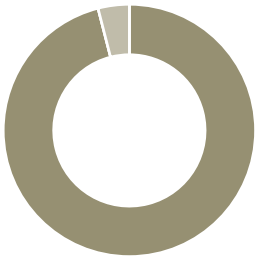
Property Type*
BAILARD FUND NFI-ODCE (EW)



Geographic Region
BAILARD FUND NFI-ODCE (EW)



Portfolio Life Cycle



Operating	96%
Development	4%

Investment Structure



Wholly Owned	67%
Joint Venture	33%

Top 10 Markets
as of 9/30/2026

Metropolitan Statistical Area (MSA)	% of GAV
Ft. Lauderdale	16.4%
Minneapolis - St. Paul	13.1%
Philadelphia	8.5%
Orange County	7.9%
Richmond	6.2%
Savannah	5.6%
Chicago	4.3%
St. Louis	4.1%
Houston	4.0%
Milwaukee	3.9%

** C&E Flats' retail component is included in the residential sector for property count, diversification, and NOI due to its small relative size.*

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Leasing

as of September 30, 2026

Overall percent leased rose to 95% at the end of Q3, up from 94% the prior quarter. Gains in office and data center leasing more than offset small declines in retail and industrial.

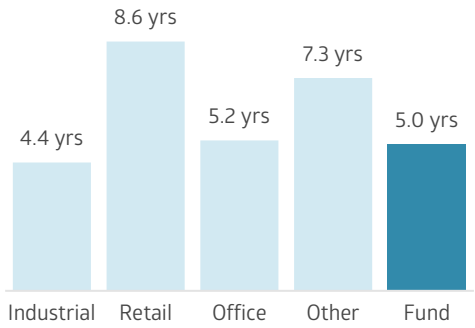
Leasing and Trailing 12-Month Trend (TTM)

as of 9/30/2026

Property Type	Q4 2025	Q1 2026	Q2 2026	Q3 2026	TTM Trend
Residential	91%	93%	96%	96%	▲
Industrial	95%	99%	99%	95%	-
Retail	91%	93%	96%	92%	▲
Office	79%	77%	78%	88%	▲
Other	78%	78%	78%	100%	▲
Fund Total	**91%**	**93%**	**94%**	**95%**	▲

Weighted Average Lease Term (WALT)

commercial assets, as of 9/30/2026



Leasing Activity

quarter ending 9/30/2026

Property Type	New	Renewal (SF or %)	Expansion	Total
Residential	N/A	64.5%	N/A	N/A
Industrial	0 SF	38,923 SF	98,819 SF	137,742 SF
Retail	0 SF	0 SF	0 SF	0 SF
Office	0 SF	13,837 SF	6,124 SF	19,961 SF
Other (Data Center)	88,000 SF	0 SF	0 SF	88,000 SF
Other (Self-Storage)	N/A	N/A	N/A	N/A

Top 10 Tenants

as of 9/30/2026

Tenant	Property Name	Property Type	% of Portfolio Revenue
AT&T Services	West Willows Technology Center	Other (Data Center)	5.0%
CDK Global	District 237	Office	3.7%
Engineered Floors & Pentz Str	Fullerton	Industrial	3.6%
Lowe's Home Centers	Georgia Trade Center	Industrial	3.3%
Stop & Shop	Mansfield & Norwell Stop & Shops	Retail	3.2%
CCBCC Operations	Meadowville Distribution Center	Industrial	2.8%
SFC Global Supply Chain	Fullerton	Industrial	2.5%
Lone Star Integrated Distribution	Market Street Industrial	Industrial	2.2%
Jewel Food Stores	150 Pierce Road	Office	2.1%
Northrop Grumman	Junction Drive	Other (Data Center)	1.9%
Top 10 Tenants			**30.3%**

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Leverage

as of September 30, 2026

The Fund maintains a conservative approach to leverage, liquidity, and capital structure. As of quarter-end, leverage across the portfolio ended at 20.5%, providing flexibility to pursue new investments while managing downside risk. The current leverage levels show a general downward trend over recent time periods, with debt-to-GAV of 21.6%, 26.8%, and 25.9% for one, three, and five years ago.

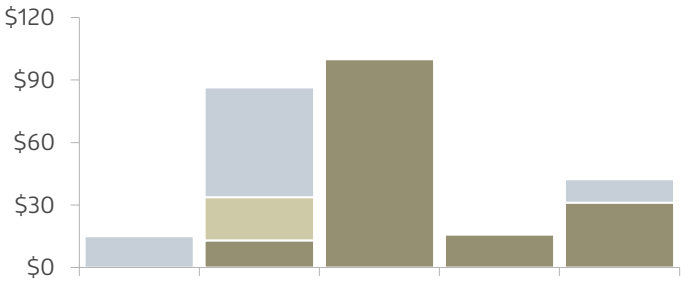
The Fund held approximately $93.3 million in cash and cash equivalents, representing 7.0% of GAV. Debt across the portfolio is well-laddered, with no near-term concentration of maturities. Looking ahead, four assets have maturity dates within the next twelve months. Each will balance loan proceeds with loan payoff flexibility to allow the Fund the ability to complete sales of any of the four in the near-term, depending on market conditions.

- Beck46: $19.5 million balance, refinance underway
- Brookfield Reserve: $23.5 million balance, refinance underway
- Flying Cloud: $13.1 million balance, refinance underway
- Lowa46: $23.85 million balance, refinance underway

Debt Maturities by Year

as of 9/30/2026

Near-term strategy:
REFINANCE/POTENTIAL SALE PAYOFF PLANNED REFINANCE PLANNED



	2026	2027	2028	2029	Thereafter
Debt maturing	$15.0 M	$86.5 M	$100.0 M	$15.8 M	$42.4 M
% of total	5.8%	33.3%	38.5%	6.1%	16.3%
# of loans	1	5	2	2	3
% fixed rate	0%	100%	100%	0%	100%
% floating rate	100%	0%	0%	100%	0%

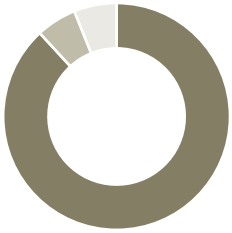
Leverage Statistics

as of 9/30/2026

Debt Outstanding (Fund's Economic Share)	$259.6 M
Debt to Gross Asset Value	20.5%
Property Portfolio Debt Service Coverage Ratio	3.6x
Weighted Avg. Interest Rate	5.2%
Weighted Avg. Remaining Term	
Fixed Rate	1.8 years
Floating Rate	1.4 years
# of Unencumbered Assets	17
% of $60M credit facility drawn	0%
Debt Mark-to-Market (Qtr)	0.0%

Debt Diversification

as of 9/30/2026



Fixed rate	88.1%
Floating rate, interest rate cap	5.8%
Floating rate, no cap	6.1%

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Part II · Portfolio

Asset-level performance, leasing activity, and positioning across each property sector.

Property Portfolio Summary

as of September 30, 2026

Investment	Market (MSA)	Size	% Leased	Value Δ/Qtr
• Residential		**1,826 units**	**96%**	**-0.9%**
750 Curtiss	Chicago	138 units	N/A	-0.3%
Beck46	Minneapolis-St. Paul	143 units	96%	-6.4%
Brookfield Reserve	Milwaukee	193 units	95%	0.7%
C&E Flats - Apartment	Minneapolis-St. Paul	118 units	97%	-0.2%
C&E Lofts	Minneapolis-St. Paul	103 units	98%	0.1%
Grand at Saginaw	Dallas/Fort Worth	235 units	96%	-0.4%
La Morada at Weston	Fort Lauderdale	367 units	93%	-0.2%
Lowa46 - Apartment	Minneapolis-St. Paul	147 units	99%	-6.3%
Maple Pond Townhomes	Charlotte	127 units	N/A	10.5%
Plantation Colony Apartments	Fort Lauderdale	255 units	96%	-0.2%
• Industrial		**3,070,306 SF**	**95%**	**0.0%**
Fullerton Industrial	Orange County	254,750 SF	100%	-0.2%
Georgia Trade Center	Savannah	416,450 SF	100%	1.1%
Highland Business Park	Philadelphia	569,893 SF	93%	0.2%
Market Street Industrial	Houston	395,725 SF	100%	-0.2%
Meadowville Distribution Center	Richmond	353,044 SF	100%	-0.2%
South Logistics Center	Salt Lake City	328,000 SF	100%	-0.6%
Waterville Industrial	San Diego	101,435 SF	0%	-0.4%
Westport Industrial Portfolio	St. Louis	651,009 SF	96%	-0.1%
• Retail		**277,855 SF**	**92%**	**-0.6%**
C&E Flats - Retail	Minneapolis-St. Paul	11,636 SF	76%	0.0%
Charter Colony	Richmond	71,741 SF	100%	0.4%
Lowa46 - Retail	Minneapolis-St. Paul	49,545 SF	93%	-4.8%
M Street	Washington, DC	11,031 SF	55%	0.7%
Mansfield Stop & Shop	Boston	74,383 SF	100%	0.0%
Norwell Stop & Shop	Boston	59,519 SF	100%	0.0%
• Office		**576,198 SF**	**88%**	**-0.7%**
150 Pierce Road	Chicago	181,228 SF	76%	-0.3%
District 237	San Jose	76,410 SF	100%	0.5%
Fairview Park	Washington, DC	117,065 SF	56%	-4.3%
Flying Cloud	Minneapolis-St. Paul	201,495 SF	94%	-0.8%
• Other (Data Center)		**340,496 SF**	**100%**	**13.6%**
Junction Drive	Baltimore	96,666 SF	100%	0.7%
Perimeter East Data Center	Atlanta	88,000 SF	100%	55.5%
West Willows Technology Center	Seattle	155,830 SF	100%	1.5%
• Other (Self-Storage)		**1,284 units**	**N/A**	**-0.3%**
El Dorado Self-Storage	Sacramento	1,284 units	N/A	-0.3%
Property Portfolio Total			**95%**	**0.6%**

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Residential

PROPERTY SECTOR REPORT • Q3 2026

Q3 INVESTMENT-LEVEL RETURN*	GROSS ASSET VALUE	NET ASSET VALUE	PROPERTIES**	UNITS	% LEASED	RENEWAL RATE
-0.2%	$455.0 M	$269.3 M	10	1,826	95.5%	64.5%

Investment-Level Returns

Trailing periods as of 9/30/2026*

	Income	Appreciation	Total Return
Quarter	1.0%	-1.2%	-0.2%
1 Year	3.3%	-2.6%	0.6%
3 Year	3.1%	-6.2%	-3.2%
5 Year	3.3%	-0.7%	2.6%
10 Year	4.1%	4.0%	8.2%

Valuation Metrics

Cap rates, year-over-year comparison

	Q3 2025	Q3 2026	bps +/-
Year-1	5.04%	5.04%	-
Stabilized	5.00%	5.19%	▲ 18
Discount	7.03%	7.23%	▲ 20
Exit Cap	5.61%	5.60%	▼ 1

Diversification

% of GAV, as of 9/30/2026**

Sub-sector



Apartment	98%
SFR	2%

Life cycle



Operating	90%
Development	10%

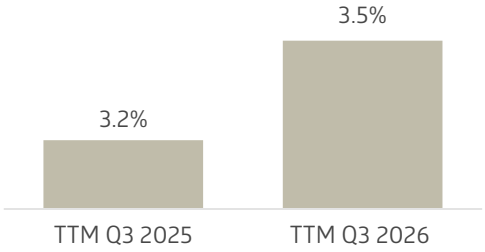
Ownership



Wholly Owned	58%
Joint Venture	42%

NOI Growth

Same-store, year-over-year, excluding acquisitions and dispositions**



Sector Commentary

The residential sector had a -0.2% investment-level return to the Fund, resulting from a valuation decline of 0.9% quarter-over-quarter. Lowa46 and Beck46 each dropped over six percent in value as appraisers raised capitalization and discount rates amid weaker investor sentiment in Minneapolis. Maple Pond Townhomes partially offset these declines, rising 10.5% in its first third-party appraisal, reflecting the asset's development progress. The Fund expects to refinance the Beck46, Lowa46, and Brookfield Reserve loans, which mature between late 2026 and early 2027.

Same-store NOI increased 3.5% year-over-year, driven by lower property tax and insurance expenses at La Morada and Plantation Colony, and burned-off leasing concessions at Lowa46. Brookfield Reserve partially offset these gains, as a one-time prior-year tax credit did not recur.

Top 3 Markets	Units	% of Sector GAV
Fort Lauderdale	622	46.1%
Minneapolis-St. Paul	511	25.2%
Milwaukee	193	10.9%

** The investment-level returns for residential are inclusive of the two retail components at C&E Flats and Lowa46, as the debt and equity contributions are not separated by product type.*

*** C&E Flats' retail component is included in the residential sector for property count, diversification, and NOI due to its small relative size.*

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Industrial

PROPERTY SECTOR REPORT • Q3 2026

Q3 INVESTMENT-LEVEL RETURN	GROSS ASSET VALUE	NET ASSET VALUE	PROPERTIES	SQUARE FEET	% LEASED	WALT REMAINING
1.1%	$465.9 M	$426.2 M	8	3,070,306	94.6%	4.4 YEARS

Investment-Level Returns

Trailing periods as of 9/30/2026

	Income	Appreciation	Total Return
Quarter	1.1%	0.1%	1.1%
1 Year	4.4%	1.4%	5.8%
3 Year	4.5%	-2.7%	1.7%
5 Year	4.2%	3.6%	8.0%
10 Year	5.0%	10.0%	15.3%

Valuation Metrics

Cap rates, year-over-year comparison

	Q3 2025	Q3 2026	bps +/-
Year-1	4.57%	4.84%	▲ 28
Stabilized	5.55%	5.54%	▼ 1
Discount	7.43%	7.33%	▼ 9
Exit Cap	5.94%	5.96%	▲ 2

Diversification

% of GAV, as of 9/30/2026

Sub-sector



- Warehouse 97%
- Manufacturing 3%

Life cycle



- Operating 100%

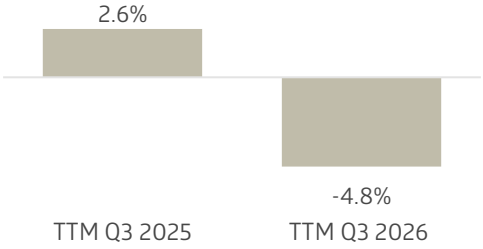
Ownership



- Wholly Owned 86%
- Joint Venture 14%

NOI Growth

Same-store, year-over-year, excluding acquisitions and dispositions

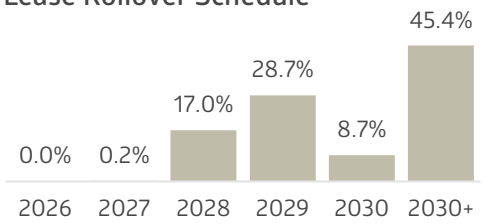


Sector Commentary

The industrial portfolio contributed 1.1% of investment-level returns. The valuations were nearly flat quarter-over-quarter. Georgia Trade Center (+1.1%) and Highland Business Park (+0.2%) appreciated as the appraiser rolled cash flows forward three months, offset by a 0.6% decline at South Logistics Center on softer market rent and leasing expectations.

Same-store NOI decreased 4.8% year-over-year, mainly due to the late-2025 bankruptcy of Westport Industrial Portfolio's largest tenant, which ceased paying rent before most of its space was re-leased in Q3 2026, and a property tax timing difference at Market Street Industrial. Partial offsets included the lease-up of South Logistics Center, now 100% leased, and higher NOI at Georgia Trade Center from rent steps, lower non-recoverable expenses, and expense recovery timing.

Lease Rollover Schedule



Top 3 Markets	SF	% of Sector GAV
Philadelphia	569,893	21.6%
Orange County	254,750	20.0%
Savannah	416,450	14.3%

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Retail

PROPERTY SECTOR REPORT • Q3 2026

Q3 INVESTMENT-LEVEL RETURN*	GROSS ASSET VALUE	NET ASSET VALUE	PROPERTIES**	SQUARE FEET	% LEASED	WALT REMAINING
1.8%	$97.9 M	$78.1 M	5	277,855	92.4%	8.6 YEARS

Investment-Level Returns

Trailing periods as of 9/30/2026*

	Income	Appreciation	Total Return
Quarter	1.4%	0.4%	1.8%
1 Year	6.3%	6.6%	13.2%
3 Year	5.9%	3.7%	9.7%
5 Year	6.0%	3.0%	9.1%
10 Year	5.5%	2.3%	7.9%

Valuation Metrics

Cap rates, year-over-year comparison

	Q3 2025	Q3 2026	bps +/-
Year-1	6.27%	5.85%	▼ 42
Stabilized	6.50%	6.02%	▼ 48
Discount	7.50%	6.90%	▼ 60
Exit Cap	6.77%	6.31%	▼ 46

Diversification

% of GAV, as of 9/30/2026**

Sub-sector



Strip	71%
Street	29%

Life cycle



Operating	100%

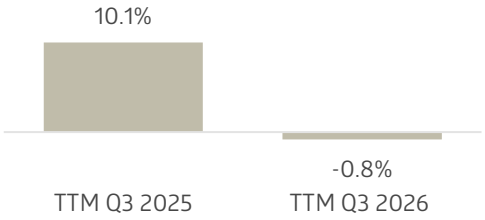
Ownership



Wholly Owned	85%
Joint Venture	15%

NOI Growth

Same-store, year-over-year, excluding acquisitions and dispositions**



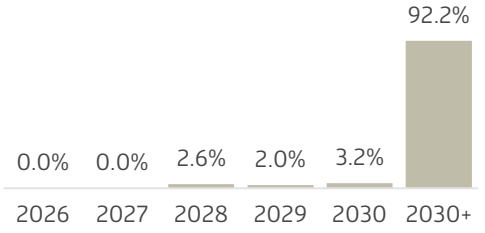
Sector Commentary

The sector's most significant activity was the sale of Shoppes at Knightdale to an institutional investor at 5.7% above carry value, completing the business plan and generating a 2.6x multiple and 18% IRR net to the Fund.

Excluding the sale, retail valuations declined 0.6% quarter-over-quarter, driven primarily by a 4.8% decrease at Lowa46's ground-floor retail. Appraisers raised capitalization and discount rates amid weaker investor sentiment and heightened political uncertainty. Charter Colony partially offset the decline, appreciating 0.4% on contractual cash flow. Stable income, led by Charter Colony, made retail the Fund's second-best performing sector.

Same-store NOI decreased 0.8% year over year as operating expense growth at Charter Colony outpaced contractual rent increases.

Lease Rollover Schedule



Top 3 Markets	SF	% of Sector GAV
Boston	133,902	46.2%
Richmond	71,741	25.2%
Minneapolis-St. Paul	61,181	15.2%

** The investment-level returns for residential are inclusive of the two retail components at C&E Flats and Lowa46, as the debt and equity contributions are not separated by product type.*

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Office

PROPERTY SECTOR REPORT • Q3 2026

Q3 INVESTMENT-LEVEL RETURN	GROSS ASSET VALUE	NET ASSET VALUE	PROPERTIES	SQUARE FEET	% LEASED	WALT REMAINING
1.0%	$100.6 M	$75.9 M	4	576,198	87.7%	5.2 YEARS

Investment-Level Returns

Trailing periods as of 9/30/2026

	Income	Appreciation	Total Return
Quarter	2.0%	-1.0%	1.0%
1 Year	6.2%	-1.3%	4.8%
3 Year	6.1%	-9.8%	-4.2%
5 Year	6.9%	-15.2%	-9.1%
10 Year	7.2%	-8.2%	-1.5%

Diversification

% of GAV, as of 9/30/2026

Sub-sector



Suburban	36%
Urban	33%
Secondary	31%

Life cycle



Operating	100%

Ownership



Wholly Owned	33%
Joint Venture	67%

Sector Commentary

The Fund's office assets contributed 1.0% of total return in Q3, driven by income, despite the office portfolio values declining 0.7%. Flying Cloud declined 0.8% despite higher occupancy from a tenant renewal and expansion, as appraisers raised cap and discount rates amid Minneapolis political uncertainty. Given limited buyer depth, the Fund withdrew the property from sale to pursue leasing before revisiting a disposition.

There was one change to the office portfolio: the Fund sold Nottingham 7941 to an owner-user at 14% above its carry value, completing the business plan and generating a 1.4x multiple and 9.6% IRR.

Same-store NOI increased 26% year-over-year as concessions burned off at Fairview Park and Flying Cloud, partially offset by the 2025 departure of 150 Pierce's second-largest tenant, whose space is being marketed.

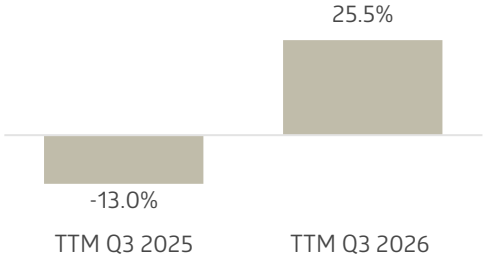
Valuation Metrics

Cap rates, year-over-year comparison

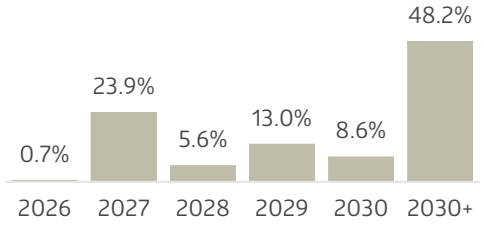
	Q3 2025	Q3 2026	bps +/-
Year-1	6.41%	6.29%	▼ 13
Stabilized	8.31%	8.11%	▼ 20
Discount	9.16%	9.23%	▲ 8
Exit Cap	7.83%	8.15%	▲ 32

NOI Growth

Same-store, year-over-year, excluding acquisitions and dispositions



Lease Rollover Schedule



Top 3 Markets	SF	% of Sector GAV
Minneapolis-St. Paul	201,495	36.1%
San Jose	76,410	32.7%
Chicago	181,228	19.1%

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Other (Data Center, Self-Storage)

PROPERTY SECTOR REPORT • Q3 2026

Q3 INVESTMENT-LEVEL RETURN	GROSS ASSET VALUE	NET ASSET VALUE	3 DATA CENTER PROPERTIES	1 SELF-STORAGE PROPERTY	% LEASED	WALT REMAINING
16.3%	$107.2 M	$96.0 M	340,496 SF	1,284 UNITS	100%	7.3 YEARS

Investment-Level Returns

Trailing periods as of 9/30/2026

	Income	Appreciation	Total Return
Quarter	1.5%	14.8%	16.3%
1 Year	4.7%	15.4%	20.6%
3 Year	1.2%	8.4%	9.7%
5 Year	0.5%	9.6%	10.1%
10 Year	5.4%	8.8%	14.5%

Valuation Metrics

Cap rates, year-over-year comparison

	Q3 2025	Q3 2026	bps +/-
Year-1	5.17%	4.56%	▼ 62
Stabilized	8.27%	7.99%	▼ 28
Discount	10.95%	9.30%	▼ 165
Exit Cap	6.96%	7.75%	▲ 78

Diversification

% of GAV, as of 9/30/2026

Sub-sector



Data Center	96%
Self-Storage	4%

Life cycle



Operating	96%
Development	4%

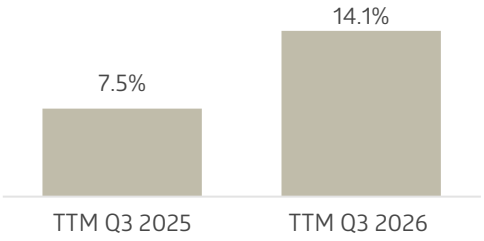
Ownership



Wholly Owned	28%
Joint Venture	72%

NOI Growth

Same-store, year-over-year, excluding acquisitions and dispositions

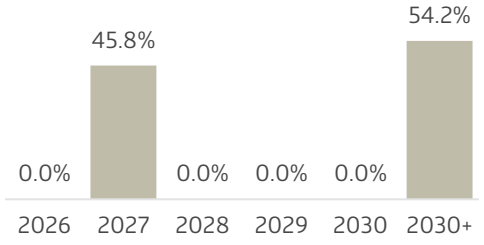


Sector Commentary

The Fund's best performance across the portfolio came from its data center and self-storage assets (comprising the Other property type), contributing a 16.3% overall return for the quarter. These results are driven by the leasing of Perimeter East Data Center, which increased its value by 55%. West Willows Technology Center appreciated 1.5%, as it approaches its upcoming lease renewal; below-market in-place rents are expected to reset to market.

Same-store NOI increased 14.1% year-over-year, driven by Perimeter East. Although base rent is abated through year-end 2026, the tenant is responsible for all property operating expenses during the abatement period, which were previously borne by the Fund. NOI is expected to increase further when base rent commences in 2027.

Lease Rollover Schedule



Top 3 Markets	SF	% of Sector GAV
Seattle	155,830	38.7%
Atlanta	88,000	29.2%
Baltimore	96,666	28.1%

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Transaction Activity

as of September 30, 2026

The Fund completed two dispositions during the quarter.

Nottingham 7941, White Marsh, MD

On July 31, the Fund closed on the sale of Nottingham 7941 at a gross price of $8.0 million, $1.0 million (14%) above its Q2 carry value of $7.0 million. After closing costs, brokerage fees, and partner share, net cash proceeds to the Fund totaled $7.3 million. Since its purchase in October 2017 as part of the Nottingham Portfolio, the office investment yielded a net IRR to the Fund of 9.6%.

Shoppes at Knightdale, Knightdale, NC

On September 10, the Fund closed on the sale of Shoppes at Knightdale at a gross price of $86.7 million—$4.7 million (6%) above its June 30 carry value of $82.0 million. After loan payoff, closing costs, brokerage fees, and partner share, net cash proceeds totaled $42.1 million. Since its purchase in July 2019, the retail investment yielded a net IRR to the Fund of 18.0%.

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Part III · Appendix

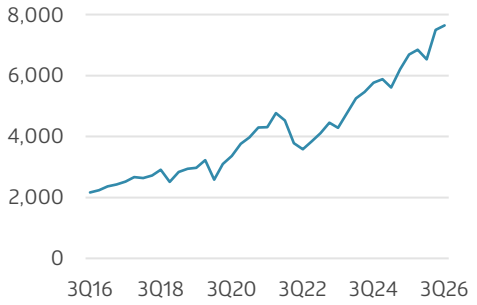
Economic commentary, property sector analysis, Fund team and Board information, as well as key definitions, risks, and disclosures.

Appendix

National Economic Trends
as of September 30, 2026

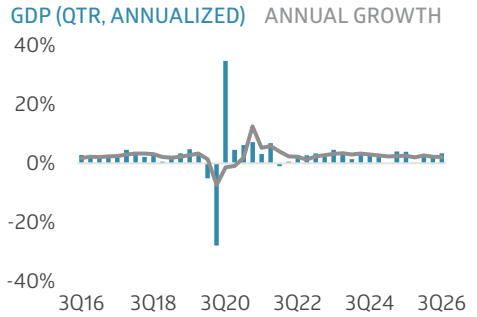
S&P 500 Index

- The S&P 500 ended Q3 at 7,652, with a 2.0% return (price change) since Q2, and 14.4% since Q3 2025.
- The best-performing sector was Energy, returning 16.5% in Q3, supported by rising oil prices amid Middle East supply disruptions.
- The worst-performing sector was Utilities, declining 13.0% in Q3, pressured by sharply higher Treasury yields and the Fed's September rate hike.



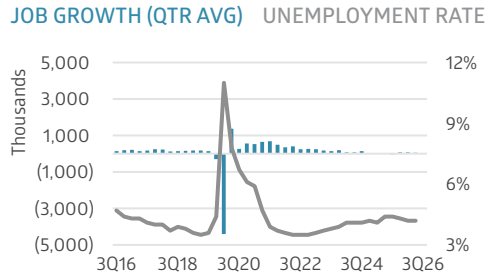
Real Gross Domestic Product (GDP) Growth

- Real GDP grew at an annualized 3.4% in Q3, up 120 bps from Q2 2026 and down 50 bps from Q3 2025.
- Year-over-year GDP growth was 2.1%, down 13 bps from the prior quarter, suggesting the underlying growth trend is moderating.
- Gross private domestic investment contributed the most to real GDP growth, adding 3.4 percentage points in Q3.



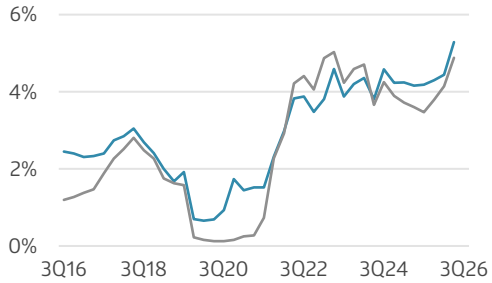
Job Growth and Unemployment Rate

- Nonfarm job growth averaged 51,000 per month in Q3, down 30,000 from Q2 and up 27,000 from Q3 2025.
- The unemployment rate in Q3 2026 closed at 4.2%, unchanged from Q2 2026 and down 20 bps from Q3 2025.
- Education and health services contributed the most to job growth in Q3, adding an average of 24,000 jobs per month.



U.S. Treasury Yields

- The 10-year Treasury yield ended the quarter at 5.29%, up 85 bps from Q2 2026 and 113 bps year-over-year.
- The 5-year closed at 5.09%, up 90 bps from Q2 and 135 bps year-over-year.
- The 2-year closed at 4.88%, up 74 bps from Q2 and 128 bps year-over-year. The 3-month finished at 4.20%, up 33 bps from Q2 and 18 bps year-over-year.
- The curve remains positively sloped, with the 10- to 2-year spread at 0.41% and the 10-year to 3-month spread at 1.09%.



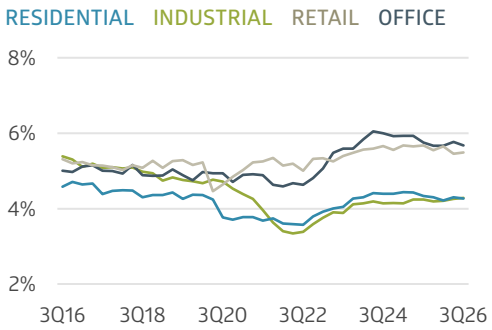
Sources: CoStar Group, FactSet, Federal Reserve Bank of St. Louis, NCREIF, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Yahoo Finance. ***Past performance is no indication of future results. All investments have the risk of loss.*** *Definitions and additional disclosures referenced herein are provided in the Appendix: Notes to Report. Also see Risks & Disclosures on the last page, including information regarding return calculation methodology.*

Appendix

National Economic Trends
as of September 30, 2026

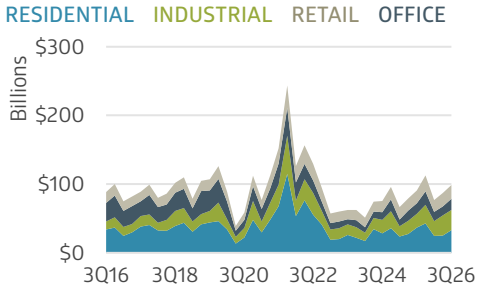
Capitalization Rates

- According to NCREIF, cap rates at the end of Q3 2026 for industrial, office, retail, and residential properties were 4.3%, 5.7%, 5.5%, and 4.3%, respectively.
- Quarter-over-quarter, office cap rates declined by nine bps while industrial cap rates increased by three bps.
- Year-over-year, office, retail, and residential cap rates declined 7 to 19 bps, while industrial cap rates increased by five bps.



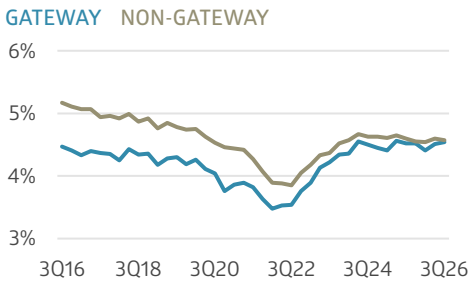
Investment Volume

- Q3 transaction volume totaled $98.5B, up 12.9% from Q2. Residential overtook industrial as the most-transacted asset type at 33% of sales volume, versus 30% for industrial.
- Trailing 12-month volume reached $375B, a 13.0% increase from $332B in the prior 12-month period. Residential remained the most active sector, at 34% of total volume, with industrial at 29%.



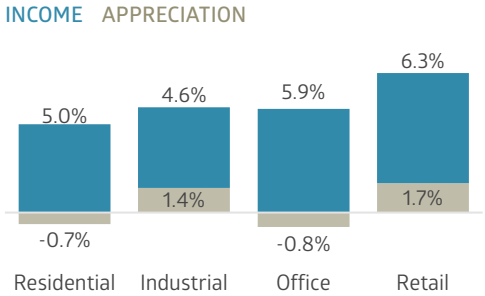
Gateway vs. Non-Gateway Cap Rates

- In Q3, U.S. Gateway cap rates increased three bps to 4.5%, while Non-Gateway decreased three bps to 4.6%.
- Over the past 10 years, cap rates for Non-Gateway markets have typically been 39 bps above Gateway markets.
- The current spread between Non-Gateway and Gateway is three bps, six bps narrower than last quarter.



1-Year Performance, NFI-ODCE Unleveraged Property Returns

- The NFI-ODCE Equal Weight Index returned 1.8% gross of fees in Q3, bringing its one-year return to 5.5%.
- Within the NCREIF Property Index (NPI), retail was again the top-performing major property type at 2.0%, followed by industrial at 1.5% and office at 1.2%.
- Residential was the weakest-performing major sector, returning 0.9%. Along with office, it was one of only two major sectors to report negative appreciation, down 0.2% compared with 0.3% for office.



Sources: CoStar Group, FactSet, Federal Reserve Bank of St. Louis, NCREIF, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Yahoo Finance. ***Past performance is no indication of future results. All investments have the risk of loss.*** *Definitions and additional disclosures referenced herein are provided in the Appendix: Notes to Report. Also see Risks & Disclosures on the last page, including information regarding return calculation methodology.*

Appendix

Market Conditions by Property Sector
as of September 30, 2026

Commercial real estate continued its gradual recovery in the third quarter. Demand was positive across all four property sectors, and vacancy rates trended lower in each. New construction remained limited, with development pipelines near or below 10-year averages across every sector, allowing demand to absorb vacant space. However, rent growth remained modest, as occupancy gains are still being offset by elevated vacancy levels and lingering competitive pressures from recently delivered properties.

Residential

U.S. multifamily fundamentals improved in Q3 2026, supported by healthy demand and moderating supply. Vacancy declined 21 bps during the quarter to 7.9% but remains above the 10-year average of 6.9%. Demand remained strong, with absorption totaling 141,000 units, well above the 10-year average of 102,000 units but down from the second quarter, which was the strongest quarter for demand since 2021.

Supply pressures continued to ease, with units under construction declining to 576,000, below the 10-year average of 790,000 and down 36,000 units from the prior quarter. New development activity remained light, with roughly 60,000 units breaking ground in the quarter, the lowest quarterly total since 2012. Rents averaged $1,803 per month, approximately $190 above the 10-year average of $1,615. Rents were flat during the quarter but increased 1.4% year over year.

Looking ahead, fewer new deliveries should continue to reduce vacancy and support stronger rent growth through late 2026 and into 2027. Progress is likely to be slower in the South and Mountain regions, where recent supply additions have been most concentrated.

Industrial

U.S. industrial vacancy declined to 7.4% in Q3 2026, down seven bps from Q2 but well above its 10-year average of 5.4%. Demand rebounded sharply, with net absorption totaling 81 million square feet, up 38 million from Q2 and well above the 10-year quarterly average of 62 million. The construction pipeline grew 18 million square feet from Q2 to 405 million, roughly in line with its 10-year average of 401 million square feet.

National rents averaged $12 per square foot, compared with a 10-year average of $10. Rents increased 0.2% during the quarter and 1.6% year over year, among the slowest annual growth rates since 2012. Market conditions continue to vary by building size. Small-bay buildings under 50,000 square feet have vacancy rates below 5%, while vacancy in bulk warehouse and distribution properties exceeds 8%, the highest level in more than a decade. Looking ahead, vacancy is expected to remain near 7.3% to 7.4% through 2027 before beginning to decline in 2028 as new deliveries slow.

Sources: CoStar Group, FactSet, Federal Reserve Bank of St. Louis, NCREIF, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Yahoo Finance. ***Past performance is no indication of future results. All investments have the risk of loss.*** *Definitions and additional disclosures referenced herein are provided in the Appendix: Notes to Report. Also see Risks & Disclosures on the last page, including information regarding return calculation methodology.*

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Market Conditions by Property Sector
as of September 30, 2026

Retail

The U.S. retail market remained tight and stable in Q3 2026. Vacancy was 4.3%, essentially unchanged from Q2 and in line with its 10-year average of 4.4%. Net absorption totaled eight million square feet, down two million from Q2 and slightly below the 10-year average of 10 million. Leasing activity remained healthy, with retailers announcing about 4,800 openings year-to-date compared with 3,800 closures. Discount, grocery, fitness and service tenants continued to backfill space vacated during the 2024-2025 bankruptcies.

The construction pipeline held steady at 61 million square feet, in line with the 10-year average of 60 million. Groundbreakings fell to their lowest quarterly level since at least 2016, and available space declined to about 562 million square feet, roughly 11% below its 10-year average. Asking rents averaged $26 per square foot, about $3 above the 10-year average of $23, rising 0.1% for the quarter and 1.7% year over year. Vacancy is expected to hold near 4.3%, and rent growth is forecast to accelerate to about 2.9% in 2027.

Office

The U.S. office recovery gained momentum in Q3 2026. National vacancy declined 11 bps from Q2 to 13.7%, 40 bps below the mid-2025 peak of 14.1% but well above the 10-year average of 11.6%. Net absorption reached 8.5 million square feet, up 5.7 million from Q2 and marking the fifth consecutive quarter of positive demand. The recovery remains concentrated, led by AI companies in San Francisco and New York, as well as financial firms tightening in-office attendance requirements. Demand strengthened despite information, finance, and professional services firms cutting roughly 700,000 jobs since early 2023.

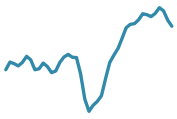
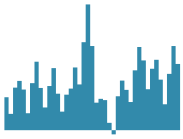
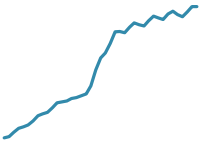
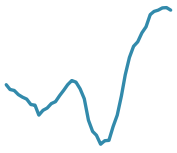
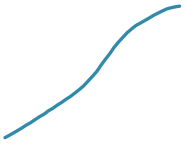
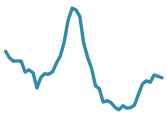
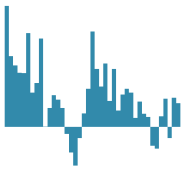
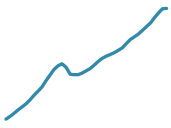
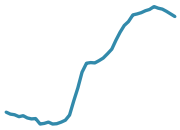
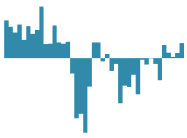
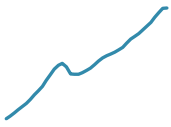
The construction pipeline fell to 48 million square feet, near its lowest level on record and well below the 10-year average of 117 million. Asking rents averaged $38 per square foot, about $3 above the 10-year average, rising 0.1% for the quarter and 2.3% year over year. Nationally, high-vacancy buildings account for 80% of all vacant office space, creating opportunities for demolitions and conversions. However, slower entry-level hiring and administrative job cuts, potentially amplified by AI adoption, are expected to temper demand growth.

Sources: CoStar Group, FactSet, Federal Reserve Bank of St. Louis, NCREIF, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Yahoo Finance. ***Past performance is no indication of future results. All investments have the risk of loss.*** *Definitions and additional disclosures referenced herein are provided in the Appendix: Notes to Report. Also see Risks & Disclosures on the last page, including information regarding return calculation methodology.*

Appendix

Market Conditions by Property Sector
as of September 30, 2026

10-Year trends, ending September 30, 2026

	Vacancy	Net Absorption	Under Construction	Rent
Residential Vacancy fell for a third consecutive quarter as new supply slowed; rent growth remains modest.				
	7.9% -21 bps q/q 10-yr avg. 6.9%	141k UNITS -38k units q/q 10-yr avg. 102k	576k UNITS -36k units q/q 10-yr avg. 790k	$1,803 /MO 0.0% q/q 10-yr avg. $1,615
Industrial Strong demand eased vacancy, but rent growth remains among the slowest since 2012.				
	7.4% -7 bps q/q 10-yr avg. 5.4%	81 MILLION SF +38 million SF q/q 10-yr avg. 62 million	405 MILLION SF +18 million SF q/q 10-yr avg. 401 million	$12 SF/MO +0.2% q/q 10-yr avg. $10/SF
Retail Steady demand and limited supply keep vacancy near its 10-year average, with rents still rising.				
	4.3% no change q/q 10-yr avg. 4.4%	8 MILLION SF -2 million SF q/q 10-yr avg. 10 million	61 MILLION SF no change q/q 10-yr avg. 60 million	$26 SF/MO +0.1% q/q 10-yr avg. $23/SF
Office Positive demand and a near record low construction pipeline are gradually lowering office vacancy.				
	13.7% -1 bps q/q 10-yr avg. 11.6%	9 MILLION SF +6 million SF q/q 10-yr avg. zero	48 MILLION SF -2 million SF q/q 10-yr avg. 117 million	$38 SF/MO +0.1% q/q 10-yr avg. $35/SF

Sources: CoStar Group, FactSet, Federal Reserve Bank of St. Louis, NCREIF, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Yahoo Finance. ***Past performance is no indication of future results. All investments have the risk of loss.*** *Definitions and additional disclosures referenced herein are provided in the Appendix: Notes to Report. Also see Risks & Disclosures on the last page, including information regarding return calculation methodology.*

Notes to Report

as of September 30, 2026

A. Definitions
- The Fund's leased percentage is based on NCREIF-PREA Reporting Standards life cycle categories, excluding non-operating assets such as land, development assets, and assets less than 60% leased or within one year of construction completion. Weighted by the Fund's legal share of gross real estate value.
- WALT reflects the weighted average remaining contractual lease term of tenant leases, weighted by square footage as of the reporting date. Residential and self-storage leases are excluded.
- Same-store NOI is presented for all operating assets held as of the reporting date and excludes properties acquired or disposed of during the reporting period. NOI is reported at 100% of property-level results and does not reflect the Fund's proportional ownership interest in the underlying operating assets.
- SFR refers to Single Family Rental.
- Top 10 Tenants are measured by annual base rent relative to total portfolio gross revenue.
- Diversification metrics (Property Type, Geographic Region, Portfolio Life Cycle, and Investment Structure) are calculated based on the current quarter's gross effective share of gross real estate.
- Gateway Markets include Boston, Chicago, Washington DC, Los Angeles, New York, and San Francisco in the NCREIF National Property Index; Non-Gateway reflects all other markets.

B. Valuation & Carry Value
- Values for the Fund's properties are gross of total noncontrolling interest in joint ventures.
- Debt is shown at fair market value at quarter-end.
- Leverage metrics are calculated using debt at par.

C. Return & Performance Methodology
- Gross-of-fee and net-of-fee returns are calculated using NCREIF PREA's time-weighted return methodology, quarterly.
- A basis point (bp) is 0.01%.
- A capitalization (cap) rate measures a property's Net Operating Income relative to its market value.
- The NFI-ODCE Equal Weight (EW) shows results as if all contributing funds were treated equally, regardless of size.
- Distributions may be characterized as ordinary income, capital gains, or return of capital.
- Trailing 12-month dividend yield represents total distributions declared during the preceding twelve-month period divided by the net asset value per share as of the end of the reporting period.
- Investment-level contribution to portfolio return measures the impact on total portfolio performance based on its proportionate share of the portfolio's time-weighted equity during the reporting period. The investment-level returns include all assets contributing to performance during the reporting period, regardless of whether the assets were acquired, held, or disposed of during the period. Investment-level time-weighted returns are calculated in accordance with NCREIF PREA Reporting Standards methodologies. Returns are presented by sector and exclude all Fund-level asset management fees, fund-level leverage, and other Fund-level expenses. Investment-level returns are measured at the individual investment/property-level, reflecting property net income inclusive of all property-level expenses and property-level leverage, third-party joint-venture economics, appreciation, and investment-level cash flows. As a result, the performance presented is not directly comparable to Fund-level, NPI, or investor-level returns.

D. Balance Sheet & Cash Items
- Cash and cash-equivalent balances include cash held by the Fund and by individual properties, shown before quarterly shareholder transactions.
- Restricted cash includes restrictions and escrows for property taxes, insurance, capital and leasing expenditures, security deposits, and loan-covenant obligations.
- Per NCREIF-PREA Reporting Standards, leverage percentage equals the Fund's economic share of outstanding debt at par divided by the Fund's total gross assets.

Fund Team & Governance

as of September 30, 2026

Fund Management

Tess Gruenstein, BREF Co-CEO, Head of Portfolio Management
James Pinkerton, BREF Co-CEO, Head of Investments

Acquisitions, Asset Management & Research

Neha Desai, Vice President
Geoffrey Esmail, Director
Jun Omiya, Associate
Alex Spotswood, Senior Vice President
Brian Urback, Asset Manager
Lizbeth Zaragoza, Analyst

Accounting, Operations & Client Service

Dipika Shull, CPA, Chief Accounting Officer
Ben Lathrop, Senior Vice President, Director of Business Development & Client Services
Clayton Hagy, Private Markets Associate
David Abramson, Analyst

Board of Directors

Brad Blake, Chair
Independent Director

Evelyn Dilsaver
Independent Director

Geoffrey Dohrmann, CRE
Independent Director

Sonya Mughal, CFA
Director

James Pinkerton
Director

Preston Sargent
Director

Strategic Advisor

Preston Sargent

Client Services

Questions or requests? We're here to help.

Clayton Hagy
Private Markets Associate
Call/Text: 650-655-5882 Email: chagy@bailard.com

Ben Lathrop
SVP, Director of Business Development & Client Services
Call/Text: 650-655-5892 Email: blathrop@bailard.com

Or, reach the full Client Service team at bref@bailard.com.

Key Dates and Deadlines*

Redemption requests due	12/1/2026
Purchase requests due	12/18/2026
Dividends paid to shareholders of record as of	12/29/2026
Funds for purchases must be received by the transfer agent by	12/31/2026
NAV declared and shares issued	12/31/2026

** As stated in the offering memorandum, the Fund Board has discretion to honor redemption requests as well as accept new capital and investors, in order to manage cash flow for effective Fund operations. There have been times when the Fund has not provided liquidity.*

Risks

The Fund invests primarily in real estate. As a result, an investment in the Fund entails significant risks that are customarily associated with the development and ownership of income-producing real estate, including illiquidity, changes in supply and demand, and inexact valuation. The Fund may be leveraged. An investor may lose all or a substantial portion of the investment. There is no assurance that the Fund will achieve its investment objectives. For a more thorough discussion of the risks involved in making an investment in the Fund, please refer to the Offering Memorandum. The Fund's shares fluctuate in value and may be illiquid due to a lack of a right of redemption, the lack of a secondary market, and restrictions on transfer. Shares of the Fund, if offered, would be available for purchase only by accredited investors who could bear a loss and hold shares of the Fund indefinitely. This information does not purport to be complete and is qualified in its entirety by, and an offer or solicitation will only be made through, a final Confidential Offering Memorandum.

This report is confidential and proprietary. It has been prepared for the use of existing shareholders of the Fund and prospective accredited investors; it does not constitute an offer to sell or buy any securities and may not be used or relied upon in connection with any offer or sale of securities or for any other purpose. The information provided in this report with respect to the Fund is as of September 30, 2026, unless otherwise noted. The Fund undertakes no duty to update any of the information contained in this report. Certain statements, metrics, estimates, and projections may be forward-looking in nature and are based on information available as of the date indicated. Such information involves risks and uncertainties, is subject to change without notice, and actual results may differ materially from those expressed or implied. There can be no assurance that any estimates or projections will be realized. Please refer to the Confidential Offering Memorandum of the Fund for further information regarding these risks.

Performance Disclosures

The Gross-of-fee and Net-of-fee returns are calculated using NCREIF PREA's time-weighted return methodology quarterly. Starting from June 30, 2023, the Fund calculates the gross-of-fee returns and net-of-fee returns to reflect the inclusion of fund-level expenses such as the operating management fee the Fund pays to Bailard, Inc., appraisal, fund administration, legal, audit, tax, and other administrative expenses. We applied this change retroactively to all prior returns presented. Net-of-fee returns are calculated by netting down the gross-of-fee returns by the actual investment management fee paid to Bailard, Inc. The investment management fee schedule for the Fund, which is included in the Real Estate Composite I, is 0.85% on the Fund's net asset value up to and including $750M and 0.75% on the Fund's net asset value above $750M. If the Fund's uncommitted cash exceeds 10% of the Fund's net asset value, the fee shall be reduced by an amount equal to the product obtained by multiplying 0.425% by the excess cash amount. The underlying performance results of the Fund reflect the impact of leverage, interest, and dividend income from short-term cash investments and publicly traded real estate investments, as applicable. Capital expenditures, tenant improvements, and lease commissions are capitalized and included in the cost of the property; are not amortized; and are reconciled through the valuation process and reflected in the appreciation return component. The Fund's income return is not the distributed income to the investor, and the Income Return is presented gross-of-fee and after Fund expenses.

The NCREIF gross return methodology is as follows: the total gross return is equal to net investment income plus appreciation divided by the beginning net asset value plus time-weighted external contributions less time-weighted external distributions ("Time-Weighted Denominator"). With respect to income and appreciation, the NCREIF methodology for net income return is equal to net investment income divided by the Time-Weighted Denominator, and net appreciation return is equal to appreciation divided by the Time-Weighted Denominator. Returns shown are inclusive of dividends reinvested as they are accounted for as an external contribution upon reinvestment. Returns for periods greater than one year are annualized. Annual returns are time-weighted rates of return calculated by linking quarterly returns. Income and appreciation returns may not equal total returns due to compounding effects of linking quarterly returns. From inception through the second quarter of 2009, all properties were appraised annually; from the third quarter of 2009, all properties have been appraised quarterly. Recent acquisitions are carried at cost until first appraisal. The Fund's Board of Directors determines the value of properties based on input from independent appraisers and all levels of the Fund management. Securities, mortgages payable, derivatives, and cash and cash-equivalent investments held by the properties and Fund are marked to market on each valuation date. The Fund's Inception Date is April 20, 1990. The NCREIF Fund Index - Open End Diversified Core Equity (NFI-ODCE) is a fund-level, time weighted return index reporting the performance results of various open-end commingled funds pursuing a core private real estate investment strategy and qualifying for inclusion in the NFI-ODCE based upon certain pre-defined index policy inclusion characteristics. Like the Fund, the NFI-ODCE performance results reflect leverage and the impact of cash holdings and joint ventures (i.e., returns reflect each contributing fund's actual asset ownership positions and financing strategy). As the Fund has done in the past, some NFI-ODCE funds may invest in real estate securities. The use of leverage varies among the funds included in the NFI-ODCE. The NFI-ODCE (EW) shows what the results would be if all funds were treated equally, regardless of size. Like the Fund's presentation, the Income Return is shown gross-of-fee. Per NCREIF, fees represent investment management advisory fees. To the extent fees are paid outside the fund, a deemed contribution and fee expense is recorded to capture the impact of fees in the net of fee returns. NCREIF defines gross and net of fees as follows:

- Total Return, gross of investment advisory fees, based on changes in published market value Net Assets. The data contributing members provide all fund level returns as well as other pertinent data. NCREIF does not calculate individual fund returns but does calculate the overall aggregated Index return based on invested capital.
- Total Return, net of advisory fees. Net of fee returns are only presented at the Index Aggregate level to provide a proxy for the average advisory fees charged. Fee structures not only vary across managers and funds but also within a fund as fees may be negotiable and scaled based on the size of an investor's investment.

The NFI-ODCE data, once aggregated, may not be comparable to the performance of the Fund due to current and historical differences in portfolio composition by asset size, geographic location, property type, and degree of leverage. The NFI-ODCE is unmanaged and uninvestable.

The S&P 500 Index is a commonly used U.S. stock index of 500 large capitalization stocks. The Dow Jones Industrial Average is an index that tracks 30 large, publicly owned companies trading on the New York Stock Exchange (NYSE) and the NASDAQ. The NASDAQ 100 Index is a modified capitalization-weighted index comprised of 100 of the largest non-financial domestic and foreign companies listed on the National Market tier of the NASDAQ Stock Market, Inc. #NMREX

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