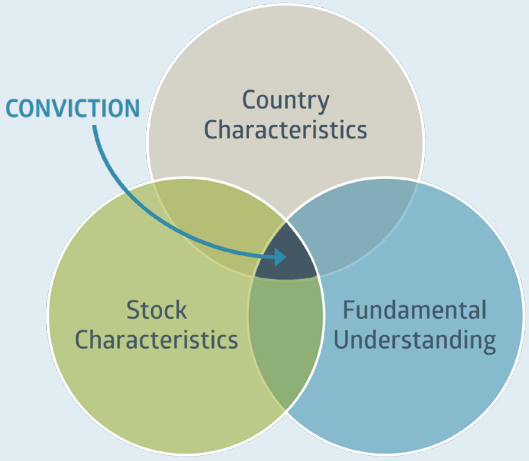
Bailard
Q4 2025 Fact Sheet

International Equity Strategy

- **An all-weather core portfolio,** providing broad developed and emerging market exposure
- **Three aspects integrated into the investment process:** quantitative country evaluation, quantitative security evaluation, and fundamental oversight
- **Country awareness underlying all aspects** of the process
- **Proprietary country and stock evaluation factors** based on behavioral insights and cutting-edge research
- Seasoned investment team with **deep non-US equity expertise** and a **strong performance track record**[1]



The Opportunity

More than just a diversification play, international equities are a compelling source of long-term returns for investors and can help position portfolios for a more dynamic global economy. This all-weather strategy provides broad developed and emerging market exposure—yet is agile enough to respond as the global opportunities shift.

The Philosophy

International markets are ever-evolving. Siloed strategies, where managers rely on a narrow approach or focus on one theme or investment style, are ill-equipped to respond to global volatility and complexity. Bailard believes an agile and well-rounded strategy best delivers consistency for investors—and structured the Bailard International Equity Strategy to provide that dynamism.

The Product

Backed by more than 25 years navigating the non-U.S. markets, this all-weather strategy pursues consistent and repeatable alpha through the combination of quantitative and fundamental perspectives, while providing broad developed and emerging market exposure.

The Bailard International Equity Strategy blends quantitative country evaluation and quantitative stock evaluation, together with a key layer of qualitative oversight. Country awareness underlies the whole process. This balance of human and machine components allows for agility and nuanced decision-making that seeks to uncover opportunities across the world's strongest markets, while mitigating risks.

The Strategy

Bailard's International Equity Strategy is different from many others in its combination of three aspects: quantitative country evaluation, quantitative stock evaluation, and fundamental oversight. Conviction in an investment requires the overlap of all three perspectives.

We evaluate the world's countries on a relative basis by assessing their characteristics and the broader market environment. We apply behavioral finance principles and measure environmental factors such as global volatility and liquidity to assess how conducive the environment is to rewarding each country based on its unique expression of proprietary valuation, momentum, and risk characteristics. The result is a ranking of the 47 countries in our universe, which is an important input to our portfolio construction process.

Our independent security evaluation process is tailored to the unique patterns seen in each market

Past performance is no indication of future results. *All investments involve the risk of loss. Please see the last page for important disclosures.* [1] *The Bailard International Equity Strategy is currently implemented across two separate composites. 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.*

around the world. To assess individual stocks' global attractiveness, we use proprietary, behavioral-based measures of value, momentum, earnings revisions, and quality for each stock—combining and emphasizing these measures based on the observed past behavior of each country or region. This systematic aspect produces a global ranking of all stocks within the universe, providing focus to qualitative work by narrowing the large opportunity set down to a manageable number of firms to research in more detail.

Fundamental understanding of country events, sector/industry themes, and individual security specifics can help determine conviction in and portfolio weight of an industry/stock, differentiate among similarly ranked stocks, and provide a feedback loop for future quantitative development.

Conviction in a position, and hence the largest overweights, will come from multiple favorable assessments of a stock: namely, a high country ranking, high stock ranking, and a positive qualitative view on the country and stock. Conversely, the largest underweights will stem from multiple negative assessments of a stock and its country. We may utilize currency hedges when country and currency views significantly diverge.

Risk Management

As with all of our investment strategies, we seek to maximize rewards through the disciplined management of risk. Our International Equity Strategy employs both quantitative and fundamental measures to manage the active risk of portfolios. In a typical application, ex-ante tracking error is generally constrained to 4% to 6% based on our desire to succeed at beating a client's selected benchmark, while limiting volatility and the probability of losing to the benchmark over a market cycle. We also strive to allocate our risk budget so that risk is distributed across country/currency, sector, style, and security positions. At the security level, it is rare for a single stock to exceed a 2% active weight.

Portfolio Management

The Strategy is managed by Eric Leve, CFA, and Daniel McKellar, CFA, who feature a 27-year average firm tenure and a 17-year average Strategy tenure. The Strategy's core investment team includes the expertise of analysts Irene Liando, CFA and Yelena Bobyor. The Strategy also draws upon the talents of Bailard's quantitative analysts, trading desk, and broader research team.

Eric Leve, CFA, Portfolio Manager and EVP

- Focuses on country evaluation, and macro and thematic research
- At Bailard since 1987; 39 years' industry experience
- BA, Quantitative Economics, University of California at Berkeley
- Chartered Financial Analyst®

Daniel McKellar, CFA, Portfolio Manager and SVP, International Equities

- Leads quantitative research, driving model enhancements in country and security selection; works closely with the firm's analysts to bridge quantitative and fundamental insights which collectively determine strategy implementation
- At Bailard since 2011; 16 years' industry experience
- MS, Financial Mathematics, Stanford University
- BA, Business Administration, Wilfrid Laurier University
- BS, Mathematics, University of Waterloo
- Chartered Financial Analyst®

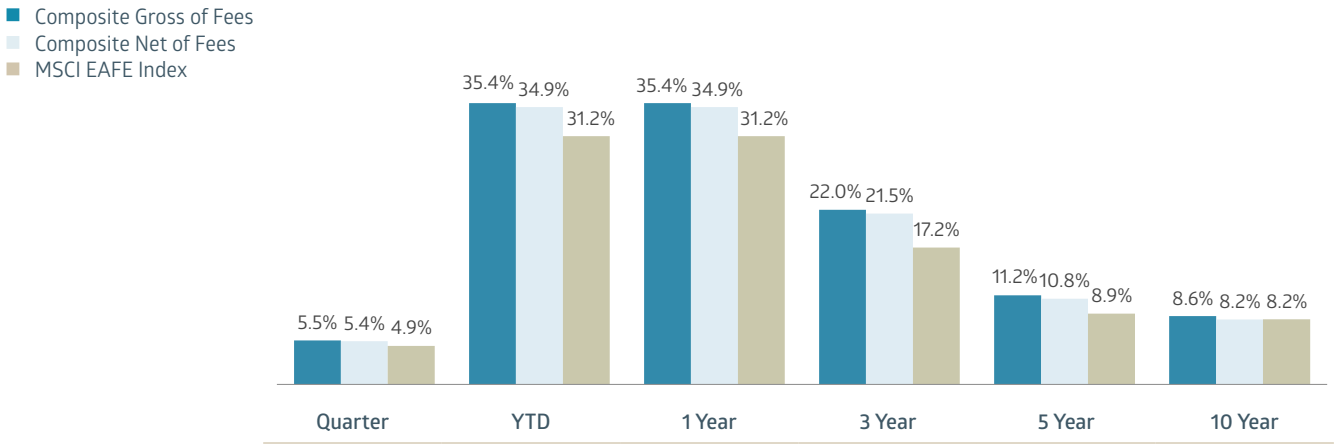
Irene Liando, CFA, Senior Analyst, International Equities

- Focuses on fundamental equity research and analysis
- At Bailard since 2023; 13 years' industry experience
- Previous analyst and trading roles at Evans & Partners (Australia), Schroders (Indonesia), and Dimension Fund Advisors
- BS, Business Administration, University of Southern California
- Chartered Financial Analyst®

Yelena Bobyor, International Equity Strategy Analyst

- Leads top-down macroeconomic, thematic, and geopolitical research across global developed and emerging markets
- At Bailard since 2025; 23 years' industry experience
- Previous roles in EEMEA, emerging markets and tech at Nuveen, 1798 Global Partners, and Andor Capital Management
- BS, Business Administration, University of California, Berkeley

TRAILING PERFORMANCE[2] total returns for periods ending December 31, 2025



Active Return

Composite (Gross) vs. Index	0.68%	4.15%	4.15%	4.74%	2.27%	0.40%
Composite (Net) vs. Index	0.59%	3.65%	3.65%	4.28%	1.85%	-0.01%

	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	11.5%	11.5%	11.9%	14.1%	14.1%	14.2%
Tracking Error (Net of Fee) vs.			1.8%			1.9%
Information Ratio (Net of Fee) vs.			2.32			0.97

REPRESENTATIVE PORTFOLIO, BAILARD INTERNATIONAL EQUITY STRATEGY[3] as of December 31, 2025

Portfolio Summary

Weighted Average Market Cap	$125.6B
Wtd. Avg. P/E Ratio (trailing 12 mo.)	16.3x
# of Holdings	183
# of Developed Markets	20
# of Emerging. Frontier, and Other Markets	7
% Developed Markets	91.0%
% Emerging. Frontier, and Other Markets	7.5%
% Cash and Equivalents	1.6%

Regional Weights

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

STRATEGY TYPICAL EXPOSURES[4]

Measured at time of investment

Number of Securities	100 - 200
Maximum Emerging Markets Exposure	Weighting of no more than MSCI ACWI ex-USA Index
Maximum Sector Exposure	+/- 10% benchmark, generally +/- 5%
Maximum Security Weighting	+/- 2% of benchmark, typically +/- 1%
Maximum Country Weighting	+/- 10% benchmark, generally +/- 5%
Cash Position	Minimal, generally 0 - 2%
Currency Hedging	Up to 20% of currency exposure may be hedged back to U.S. dollars

[2] Sources: FactSet, Morningstar. ***Past performance is no indication of future results.*** *All investments involve the risk of loss. Please see the last page for important disclosures. Three-, five- and ten-year performance statistics are annualized. Composite performance data shown reflect the EAFE Plus Composite. [3] Data regarding holdings reflect ownership information as of December 31, 2025 and are not intended to represent any past, present or future investment recommendations. Holdings are subject to change. Numbers may not add to up 100% due to rounding. [4] Source: Bailard, Inc. Portfolio characteristics based on standard portfolio construction. Actual portfolios vary based on individual client account mandates and constraints.*

Risks

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

Performance Disclosures

Composite Definition: The Bailard International Equity Strategy is implemented across two separate composites with a total AUM of of $1.3 billion as of December 31, 2025. 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 December 31, 2025, the Composite consisted of a single mutual fund account with a market value of $265.5 or 21.1% of the strategies' assets, which has been managed using a quantitative methodology in an advisory or sub-advisory capacity since 1995. Prior to that time, the portfolio was managed using a different strategy. The Composite's returns are total returns, presented both gross and net of management fees after transaction costs, and assume reinvestment of dividends and other earnings. Composite returns do not reflect a fiduciary 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.

Other Performance Definitions: 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 Indices: The MSCI Europe, Australasia, Far East Index, "MSCI EAFE" index is a free float-adjusted market capitalization index that is designed to measure developed market (ex-US & Canada) equity performance. All MSCI indices are presented U.S. dollar terms on a total return basis, assuming the reinvestment of dividends after the deduction of withholding taxes. The Composite often employed different country weights than the MSCI EAFE index. Unlike that index, the composite account invests in emerging and frontier markets as well as developed markets, can hold cash equivalents and exchange-traded funds, and may engage in currency hedging. All indices are unmanaged, uninvestable and do not reflect any transaction costs.

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 December 31, 2025, 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.

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