

Q4 2020
QUARTERLY UPDATE

All Cap Growth/Technology and Science Equity Strategy

Investing in companies at the forefront of innovation and value creation

Performance as of December 31, 2020

Q4 2020 PERFORMANCE¹

The Bailard Composite posted a fourth quarter total return of 17.4% net of fees, which led the S&P NA Tech Index but lagged our mutual fund peer universes, Morningstar US OE Tech and Lipper Science & Tech.

Outperformance relative to the S&P NA Tech Index benefitted from the Composite's higher cyclical holdings and smaller market capitalization exposure.

The quarter's underperformance relative to the peer group was attributable to negative stock selection in semiconductor, biotechnology, and interactive media holdings.

Sector allocation against the benchmark and peers was strong in the quarter, benefiting from exposure to semiconductors, electronic equipment, and e-commerce in the quarter.

TOTAL RETURN NET OF FEE^{1,2}

	3 Months	YTD	1 Year	3 Years	5 Years	10 Years
Bailard Composite	17.41%	51.83%	51.83%	27.25%	26.23%	19.53%
Morningstar US OE Tech	21.72%	56.08%	56.08%	27.27%	25.46%	17.90%
Lipper Sci & Tech	21.68%	50.54%	50.54%	26.92%	25.21%	18.08%
S&P NA Tech	13.51%	45.15%	45.15%	28.68%	27.22%	20.56%

ACTIVE RETURN NET OF FEE^{1,3}

	3 Months	YTD	1 Year	3 Years	5 Years	10 Years
Vs. Morningstar US OE Tech	-4.31%	-4.25%	-4.25%	-0.02%	0.76%	1.63%
Vs. Lipper Sci & Tech	-4.28%	1.29%	1.29%	0.33%	1.01%	1.45%
Vs. S&P NA Tech	3.90%	6.67%	6.67%	-1.43%	-0.99%	-1.03%

¹ Sources: Morningstar, Bloomberg, Thomson Reuters (Refinitiv) Eikon, Bailard. The "Bailard Composite" is the Bailard, Inc. All Cap Growth Composite. "Morningstar U.S. OE Tech Category" is the Morningstar U.S. Open End Technology category average. The "S&P NA Tech" is the S&P North American Technology Index. "Lipper Sci & Tech" is the Lipper Science and Technology Fund Index. The Bailard Composite, Morningstar U.S. OE Tech Category and Lipper Tech & Sci are presented net of fee; S&P NA Tech does not have fees. **Past performance is no indication of future results.** All investments have the risk of loss. Please see additional performance on pages 3 and 5, and pages 11 and 12 for important disclosures.

² The S&P North American Technology index (S&P NA Tech) excludes health care and biotechnology and has historically had much larger weights to large and megacap technology stocks than the Composite or the relevant funds within Lipper Sci & Tech and Morningstar US OE Tech. This may lead to performance differentials over time.

Also included in the above and throughout this pitchbook are the Lipper Science and Technology Fund Index (Lipper Sci & Tech) and the Morningstar US Open End Tech category ("Universe"), which are more comparable to the Composite since they comprise our peer fund group that invests in both technology and science. The Lipper Science and Technology Fund Index measures the performance of mutual funds that invest primarily in the equity securities of domestic companies engaged in science and technology and constructs its fund index from an average of other funds in the peer group. The Morningstar US Open End Tech category ("Universe") is composed of open-end mutual funds that buy technology and health care businesses in the U.S. or outside of the U.S. The Composite's stock holdings can differ materially from that of S&P NA Tech, the Universe, and Lipper Tech & Sci. At times, the Composite's market cap weighting may differ materially from S&P NA Tech, the Universe, and Lipper Tech & Sci.

³ Performance statistics are annualized for periods greater than one year.

Strategy and Sector Commentary

Q4 2020 UPDATE

- Equity markets began to embrace the notion of a cyclical recovery taking hold in Q4 2020. Cyclical sectors outperformed defensive sectors by 3.9%² as equity markets rotated to more economically sensitive industries and businesses. The largest technology stocks—significant beneficiaries from COVID-19’s shift in business dynamics—underperformed, as investors sought more cyclical equity inside and outside of technology. Of FAANGM³, only Apple, driven by the rollout of its latest generation 5G handsets, outperformed the S&P 500 in Q4.
- The technology sector experienced a similar shift to more cyclical industries. The portfolio was positioned early for the cyclical recovery, having established a meaningful overweight in semiconductors (with exposure to autos, heavy-duty, trucks, mobile handsets, and general industrial) and by positions geared towards recovering business and leisure travel. While wary of leisure travel volatility, we believed the risk/reward profile to be improving as COVID-19 inoculations climbed against depressed fundamentals and valuations. Importantly, the portfolio’s software holdings were the second largest contributor to active return, driven by strong stock selection within the industry.
- Biotechnology stocks finished 2020 in spectacular fashion; the S&P Biotechnology Select Index returned 26.5% for Q4. Several gene editing, targeted oncology, and RNA-based companies posted 80%+ returns in Q4 as investors seemingly could not get enough of high growth/speculative health care investments. Interestingly, COVID-19-linked investments were detractors to the biotechnology complex in Q4 despite the FDA’s Emergency Use Authorizations for two high efficacy vaccines.

COMPOSITE TOP CONTRIBUTORS AND DETRACTORS¹

CONTRIBUTORS	AVG. WEIGHT	CONTRIBUTION
EURONET WORLDWIDE INC	2.13%	1.08%
QUALCOMM INC	3.76%	1.04%
MICRON TECHNOLOGY INC	2.03%	1.03%
RINGCENTRAL INC-CLASS A	2.79%	0.98%
TWILIO INC - A	3.09%	0.98%
DETRACTORS	AVG. WEIGHT	DETRACTION
ASSEMBLY BIOSCIENCES INC	0.10%	-0.24%
NVIDIA CORP	3.87%	-0.12%
ESPERION THERAPEUTICS INC	0.32%	-0.12%
VERTEX PHARMACEUTICALS INC	0.26%	-0.05%
AKAMAI TECHNOLOGIES INC	0.56%	-0.04%

¹ Sources: Bailard, Bloomberg. For more information on the calculation methodology and a complete list of each holding’s contribution to the overall account’s performance during the time period, please contact our Chief Compliance Officer at Bailard, Inc., 950 Tower Lane Suite 1900, Foster City, CA 94404, (650) 571-5800. The holdings identified do not represent all of the securities purchased, sold, or recommended for clients. **Past performance does not guarantee future results.** Please see additional performance on pages 2 and 5, and pages 11 and 12 for important disclosures.

² MSCI Index Cyclical Non-Cyclical Spread

³ Facebook, Apple, Amazon, Netflix, Alphabet, Microsoft

Technology & Science Sector Outlook

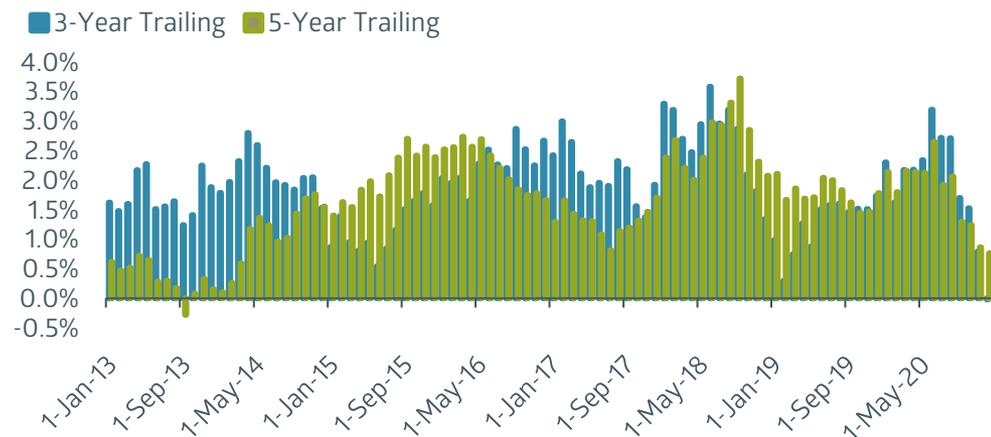
OUR OUTLOOK

- **Semiconductors and Equipment was the largest industry overweight at quarter end.** We have continued to express greater cyclical exposure through this group. The Strategy is also geared towards several technology product cycles including mobile handsets, wireless infrastructure, and gaming consoles. We have utilized positions in mega cap companies to partly fund increases in cyclical exposure and are now equally-weighted to software in the benchmark. We remain negative on companies exposed to enterprise spending and have continued to reduce exposure.
- **Biotech remains a key strategic overweight as the sector fits the model of “innovation creating opportunity,” and new technologies are impacting the pace of innovation in the sector itself.** While strategically overweight, we are at the low end of our historical investment weight to this group. Our research indicates a number of companies having difficulties in recruiting patients during COVID-19 given the disparate yet often heavy impact COVID-19 can have on the healthcare complex: reduced elective procedures, reduced office visits, missed screenings, etc. It has been encouraging to see robust expenditures into early technology companies such as gene editing and therapy ones as well as the striking size of investment into manufacturing for these types of cutting-edge therapies. We believe these foundational building blocks will be a boon to the development of highly targeted and efficacious therapeutics for diseases of all types.
- **Although technology has been a standout performer in the last twelve months, we believe this is justified, and technology sector fundamentals continue to support the potential for outperformance relative to other non-technology cohorts.** Relative to their non-technology counterparts, technology companies in general grow faster, are more profitable, have less debt, and generate better returns on invested capital. When one “normalizes” technology companies’ valuations for their superior performance, we find the technology sector is still attractively valued relative to a non-tech cohort.
- **We expect a cyclical recovery in the broad economy paired with accelerating investments in digitization of the workplace to be primary drivers of technology equities in the near-to-medium term.** We noted earlier the role of semiconductors, but digital security, workflow optimization, messaging systems, and the cyclical rebound in leisure and travel, among others, are key investment themes looking forward.

All investments involve the risk of loss. Please see important disclosures on pages 11 and 12.

Performance: Portfolio Risk

ANNUALIZED ACTIVE RETURNS RELATIVE TO MORNINGSTAR US OE TECH^{1,2} 12/31/12 – 12/31/20 (net of fees)



PERCENTAGE OF ROLLING PERIODS BAILARD COMPOSITE TOTAL RETURN EXCEEDED MORNINGSTAR

	Calculated Annually	Calculated Quarterly	Calculated Monthly
Rolling 3-Year Periods	88%	97%	99%
Rolling 5-Year Periods	100%	97%	99%

PERFORMANCE SUMMARY^{1,3} for periods ending 12/31/2020 (net of fees)

	Sharpe Ratio			Standard Deviation			Upside/Downside Capture vs. Broad Benchmarks			
	3 Years	5 Years	10 Years	3 Years	5 Years	10 Years	3 Years Upside	5 Years Upside	3 Years Downside	5 Years Downside
Bailard Composite	1.16	1.34	1.12	22.03%	18.74%	16.94%				
Morningstar US OE Tech	1.20	1.33	1.03	21.34%	18.23%	16.72%	104%	105%	109%	107%
Lipper Sci & Tech	1.16	1.30	1.04	21.74%	18.49%	16.80%	102%	104%	104%	104%
S&P NA Tech	1.25	1.41	1.21	21.61%	18.47%	16.42%	86%	91%	107%	108%

¹ Sources: Morningstar, Bloomberg, Thomson Reuters (Refinitiv) Eikon, Bailard. **Past performance is no indication of future results.** All investments have the risk of loss. Please see page 6 for more returns and pages 18 – 19 for important disclosures. ² Bar graph calculated monthly; table calculated annually, quarterly, and monthly ³ Performance statistics are annualized. S&P NA Tech does not have fees.

Portfolio Characteristics as of December 31, 2020

TOP 10 HOLDINGS BY PORTFOLIO WEIGHT (%)¹

MICROSOFT CORP	8.2
APPLE INC	5.9
FACEBOOK INC	4.5
ADOBE SYSTEMS INC	4.2
AMAZON.COM INC	4.1
ALPHABET INC CL A (GOOGLE)	4.1
QUALCOMM INC.	3.6
VISA INC - CLASS A SHARES	3.6
NXP SEMICONDUCTORS NV	3.5
TWILIO INC	3.3
Total	44.9

PORTFOLIO STATISTICS¹

Total Holdings	62
Technology ² Holdings	37
Healthcare Holdings	25
Technology ² Weight	92.6%
Healthcare Weight	6.8%
Cash Equivalents Weight	0.6%
Weighted Avg. Market Cap	\$528.0B
Price/Book	8.4x
Wtd. Avg. P/E Ratio (trailing 12 mo.)	37.5x

TOP 10 ACTIVE BETS (%)¹

	Composite	Relevant Peers ³	+/(-)
NXP SEMICONDUCTORS NV	3.5	0.9	2.7
QUALCOMM INC	3.6	1.1	2.6
ALPHABET INC-CL A	4.1	1.5	2.5
INSIGHT ENTERPRISES INC	2.5	0.0	2.5
SONY CORP-SPONSORED ADR	2.4	0.0	2.4
EURONET WORLDWIDE INC	2.5	0.1	2.4
ADOBE INC	4.2	1.8	2.3
TEXAS INSTRUMENTS INC	2.8	0.5	2.3
TE CONNECTIVITY LTD	2.3	0.0	2.2
RINGCENTRAL INC-CLASS A	3.2	1.2	2.1

INDUSTRY EXPOSURE >5%¹

Software	23.0
Semiconductors & Semiconductor Equipment	21.6
IT Services	15.7
Interactive Media & Services	8.5
Technology Hardware, Storage & Peripherals	7.3

¹ Sources: Bloomberg, Bailard Research, Thomson Reuters (Refinitiv) Eikon. This information, while representative of the current Bailard Institutional All Cap Growth/Technology and Science Equity Strategy, should not be solely relied on as it may differ from client to client and may vary over time. ² Technology includes information technology, communication services, and internet retail stocks. ³ Relevant Peers is a group developed by Bailard for comparison of the Composite's holdings to its most similar peers. Our Relevant Peers group includes funds within the universe of the Lipper Sci & Tech Fund Index that pursue a broad technology and science mandate and excludes those funds within the universe that significantly concentrate holdings in a specific subsector of either technology or health care. Holdings of Relevant Peers are reflective as of the last mutual fund public disclosure and may be delayed.

Technology and Science Investment Team

All Cap Growth/Technology and Science Equity Strategy Team

19-year strategy with continual enhancements

11-year average portfolio management strategy tenure

20-year average investment experience across team



DAVE HARRISON SMITH, CFA

Technology
12 years' investment experience
Portfolio Manager since 2012



MATT JOHNSON

Biotechnology
20 years' investment experience
Portfolio Manager since 2008



SONYA THADHANI MUGHAL, CFA

Technology
27 years' investment experience
Portfolio Manager since 2006



SELENA CHAISSON, MD

Biotechnology
26 years' investment experience



CHRIS MOSHY

Technology
27 years' investment experience



ERIC GRECO

Technology
6 years' investment experience

Bailard Intelligence Engine

Chief Investment Officer

Eric P. Leve, CFA
BA, UC Berkeley
34 years

Technology and Science Portfolio Managers

Dave Harrison Smith, CFA
MBA, UC Berkeley
12 years

Sonya Thadhani Mughal, CFA
BA, Randolph-Macon Woman's College
27 years

W. Matthew Johnson
BA, DePauw University
20 years

Quantitative

Peter M. Hill
BA, Leeds University
44 years

Thomas J. Mudge III, CFA
BA, Northern Michigan University
33 years

Osman Akgun, PhD, CFA
PhD, UC Berkeley
9 years

Daniel McKellar, CFA
MS, Stanford University
11 years

Amit Valia, CFA
MS, Syracuse University
15 years

Anthony R. Craddock
MA, UC San Diego
23 years

Raj Dutta
MCS, Illinois Institute of Technology
2 years

Fundamental

Christopher Moshy
MBA, Cornell University
27 years

Linda M. Beck, CFA
MBA, University of Chicago
27 years

Selena Chaisson, MD
MD, Stanford University
26 years

Jon Manchester, CFA
BA, Stanford University
19 years

Frank Marcoux, CFA
BA, Sacramento State
23 years

Blaine Townsend, CIMC®, CIMA®
BA, UC Berkeley
26 years

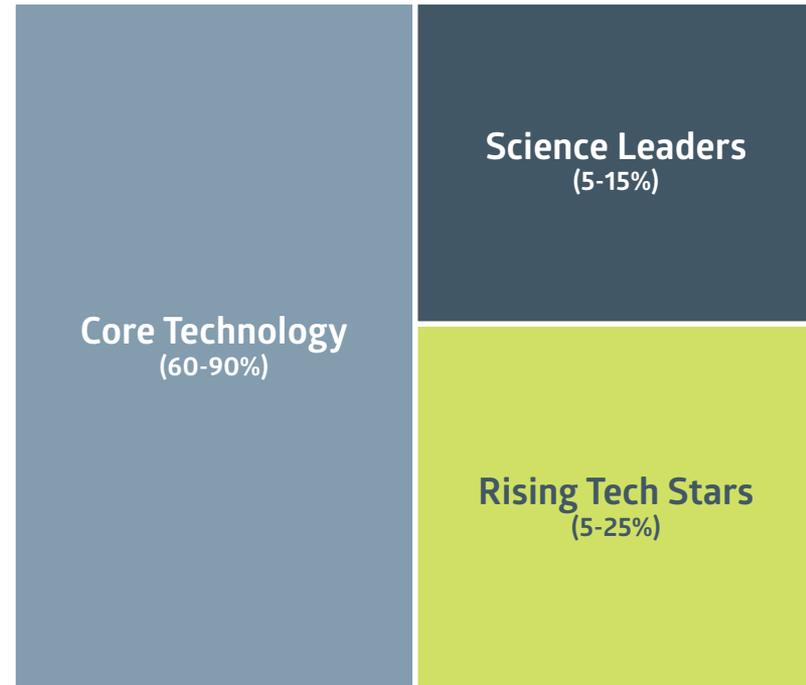
Elijah Reeder
BA, Pepperdine University
5 years

Eric Greco
BS, University of San Francisco
6 years

Years represent investment industry experience. Education represents credentials/industry designations held and highest level of education achieved. Data as of December 31, 2020.

Investment Philosophy and Approach

We invest in high growth Technology and Science companies at the forefront of innovation and value creation. We apply fundamental research and systematic methodologies to invest in opportunities across three key segments: core technology, science leaders, and rising technology stars.



About Bailard, Inc.¹

1969

Founded in 1969

Independent, established and stable

65%

Employee owned and controlled

Current and former employees own 65% and 11%, respectively

49%

Women and minority owned

67

67 employees

- Average investment professional tenure exceeds 15 years
- 77% of professionals hold advanced degrees and/or industry designations

\$4.4B

Assets Under Management²

¹ Data as of December 31, 2020.

² Bailard Institutional, a division within Bailard, Inc. that offers single asset class strategies, had \$ in assets under management as of December 31, 2020.

Disclosures and Key Risks

This presentation is confidential and can only be used by investment professionals. It cannot be reproduced in whole or in part or distributed to anyone else without the permission of Bailard. It is not for retail use. It does not constitute a recommendation of, or an offer to sell or a solicitation of an offer to buy any particular security or investment product. It does not take into consideration the particular investment objectives, financial situations, or needs of individual clients.

The information is current as of the date indicated and Bailard undertakes no duty to update any of the information contained in this presentation. The presentation contains some forward-looking statements, which involve a number of risks and uncertainties, and actual results may differ materially from these forward looking statements.

Any references to specific securities are included solely as general market commentary and were selected on criteria unrelated to Bailard's portfolio recommendations or the past performance of any security held in any Bailard account or fund. There is no guarantee Bailard or this strategy will achieve their performance or investment objectives.

Past performance is no indication of future results. All investments have the risk of loss.

Key Risks

The All Cap Growth/Technology and Science Equity Strategy is not by itself a complete investment program and is best suited for investors who can accept the above average risk generally associated with growth stocks, technology stocks and health care stocks (including emerging life sciences stocks). The strategy is primarily subject to the risk that the market value of investments will fluctuate as stock markets fluctuate, and the style and sector risks associated with a heavy weighting in the technology and health care sectors, which may be more volatile than the overall stock market. The strategy may invest in American Depository Receipts (ADRs) and Global Depository Receipts (GDRs) which are subject to the same risks as the foreign securities that they evidence or into which they may be converted (including political or economic instability, the impact of currency rate fluctuations and different accounting standards). There can be no assurance that Bailard will achieve its investment objectives. All investments have the risk of loss.

Other Disclosures

The information in this presentation is for informational purposes only and is not an offer to provide investment advice, an offer to sell securities or the solicitation of any offer to buy securities. Before making any investment decision, you should review Bailard, Inc.'s Form ADV Part 1A and Bailard Institutional's Form ADV Part 2A (available on the SEC's website at www.sec.gov), as well as Part 2B of Bailard's Form ADV (available from Bailard) and all other information that Bailard provides to you. You should also discuss all matters concerning any prospective investment that you desire with Bailard. The information provided herein is meant to demonstrate Bailard's general investment process. The outline of processes and steps taken is general in nature, and Bailard from time to time will deviate from the specific investment steps, limitations, screens, controls and overall process described.

Performance Disclosures

Composite Definition: The Bailard All Cap Growth Composite (“the Composite”) includes all Bailard Institutional portfolios primarily invested in U.S. equities with growth characteristics and large capitalizations. These portfolios also have a bias toward technology-focused sectors. As of December 31, 2020, the Composite consisted of a single mutual fund that has been managed in an advisory or sub-advisory capacity since 2001 with a market value of \$177.3M, which represented 9.2% of the total assets under Bailard Institutional’s management. The Composite’s returns are total returns presented net of management fees (“net of fees”) and assume reinvestment of dividends and other earnings. The returns do not reflect a fiduciary fulfillment fee payable to Bailard (where applicable), or custody and other account expenses not payable to Bailard. **The return of this Composite is not the NAV return of the mutual fund.**

Through September 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 0.75% (applied by reducing monthly returns by 1/12 of 0.75%). From April 2006 through September 2009, net of fee performance was calculated by netting down the gross return by a model fee of 0.375% (applied by reducing monthly returns by 1/12 of 0.375%). This model fee represents the highest management fee for the composite. From October 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 actual management fee as of the date paid from each account. As of June 30, 2019, the firm’s annual fee schedule for new accounts is as follows: 0.75% of the first \$100 million and 0.7% above \$100 million. Prior to February 3, 2014, the Composite’s benchmark was the NASDAQ 100 index (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.). The Composite’s complete return history and a 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, and cash flows as the Composite account. As a result, an account’s actual performance may differ from the performance presented above due to, among other things, timing of investment, contributions and withdrawals, and the client’s restrictions such as restrictions on eligibility to participate in initial public offerings. In addition, performance does not reflect the effects of taxation, which result in lower returns to taxable investors. An investment in the All Cap Growth/Technology and Science 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.

Market Index and Category Definitions: The S&P North American Technology Sector Index (“NA Tech Index”) provides investors with a benchmark that represents U.S. equity securities classified under the GICS® technology sector and internet retail sub-industry categories. The S&P Biotechnology Select Industry Index represents the biotechnology sub-industry portion of the S&P Total Markets Index (S&P TMI). The S&P TMI tracks all the U.S. common stocks listed on the NYSE, AMEX, NASDAQ National Market and NASDAQ Small Cap exchanges. These indices are presented on a total return basis with dividends reinvested, and are uninvestable, unmanaged and do not reflect transaction costs. The Morningstar US Open End Tech category (“Universe”) is composed of open-end mutual funds that buy technology and health care businesses in the U.S. or outside of the U.S. The Lipper Science and Technology Fund Index (“Lipper Sci & Tech”) measures the performance of mutual funds that invest primarily in the equity securities of domestic companies engaged in science and technology and constructs its fund index from an average of other funds in the peer group. The Universe and Lipper Sci & Tech are unmanaged and uninvestable. The NA Tech Index, the Universe, and Lipper Sci & Tech are presented on a total return basis with dividends reinvested. Unlike the NA Tech Index, the Composite may hold cash equivalents, exchange-traded funds, ADRs and GDRs (U.S. dollar denominated foreign securities) and health care stocks. Unlike the S&P Biotechnology Select Industry Index, the Composite holds technology stocks and may hold cash equivalents, exchange-traded funds, ADRs and GDRs (U.S. dollar denominated foreign securities). Unlike the Composite, the funds in the Universe and Lipper Sci & Tech may have different investment restrictions and invest in different categories of securities than the Composite account. Unlike the Composite returns, the returns of the funds in the Universe and Lipper Sci & Tech are net of all expenses. The Composite’s stock holdings can differ materially from that of the NA Tech Index, the S&P Biotechnology Select Industry Index, the Universe, and Lipper Sci & Tech. At times, the Composite’s market cap weighting may differ materially from the NA Tech Index, the S&P Biotechnology Select Industry Index, the Universe, and Lipper Sci & Tech.

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