

## **Bailard Institutional Summary of Material Changes**

June 29, 2017

This Summary of Material Changes summarizes only the material changes made to Bailard Institutional's brochure (ADV Part 2A) from its last annual update on June 29, 2016 to June 29, 2017.

Item 4 - Advisory Business: We noted that Bailard has a satellite office in San Francisco and we updated statistics on the number, tenure and qualifications of our staff. We also deleted references to a long-short strategy that is no longer being pursued and to several affiliated private long-short funds that have either been liquidated or are no longer being marketed or sold. Finally, we updated the statistics on the assets under management.

Item 5 - Fees and Compensation: We clarified how the annual operations management fee for the Bailard Real Estate Fund is calculated and deleted the fee schedules for the long-short strategy and affiliated private funds no longer being pursued.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss: We enhanced our description of our fundamental long-short equity strategy to incorporate the use of quantitative screening and tools. We deleted the description of the long-short equity strategy that is no longer being pursued. We also enhanced our existing risk disclosure by adding a new section on cybersecurity risk.

Item 10 - Other Financial Industry Activities and Affiliations: We updated this section to reflect the fact that four of our affiliated private funds have either been liquidated or are no longer being marketed or sold.

Item 11 - Code of Ethics, Participation in Client Transactions and Personal Trading: We enhanced our discussion on the loan arrangements between Bailard and certain clients and noted that a small number of clients own shares of stock in our parent company, BB&K Holdings, Inc. We also deleted a reference to the master-feeder structure of affiliated private funds that have been liquidated.

Item 12 - Brokerage Practices: We added a section on Bailard's brokerage practices with respect to wrap fee accounts. We also updated Exhibit I – Trade Priority and Aggregation Policy to address the same subject.

Item 15 - Custody: We clarified that Bailard is deemed to have custody of its affiliated private funds.

Item 17 - Proxy Voting: We enhanced our description of our proxy voting vendor's standard guidelines and noted that we may use custom proxy voting guidelines under certain limited circumstances.