EQUITY INVESTMENT CORPORATION

2020 First Quarter Commentary
All-Cap Value & Large-Cap Value

April 2020

First and foremost, we hope that you, your family, coworkers and clients are all safe during these challenging times. We have been working remotely with a rotating skeleton staff in the office and have had no material disruptions to our daily activities and duties.

Many records were set in the first quarter:

- It was the fastest decline into a bear market in history, and one of the fastest, largest advances out (including the best day in 87 years for the Dow Jones Industrial Average (DJIA) on March 24th).[1,2]
- The returns for *every* Russell Value Index were the worst on record.[3]
- The performance spread between the Russell 3000 Value and Russell 3000 Growth ranked at the 99th percentile (the only one bigger was the quarter ended December 1999).[4]

Our All-Cap Value SMA (ACV) and Large-Cap Value SMA (LCV) composites declined 23.3% and 23.5% gross*, respectively, during the first quarter of 2020. Net of an assumed maximum annual 3% SMA fee, our ACV and LCV composites fell an estimated 23.9% and 24.2%, respectively. In comparison, the Russell 3000® Value Index (R3000V) dropped 27.3%, the Russell 1000® Value Index (R1000V) declined 26.7%, and the more growth-oriented S&P 500® Index decreased 19.6%.[5] As shown in the chart below, our downside capture was better during the down period than our overall quarterly results suggest:

	% Rate of Return	
	2/20/2020-3/31/2020**	12/31/2019-03/31/2020
EIC ACV SMA: Gross / Net of 3% Fee	-22.5% / -22.7%	-23.3% / -23.9%
Downside Capture	80%	85%
EIC LCV SMA: Gross / Net of 3% Fee	-22.6% / -22.8%	-23.5% / -24.2%
Downside Capture	82%	88%
Russell 3000 Value Index	-28.0%	-27.3%
Russell 1000 Value Index	-27.6%	-26.7%
S&P 500 Index	-23.5%	-19.6%

*Data Source: EIC, Morningstar Direct℠ ** Intra-quarter returns are estimated. See footnote 6.*

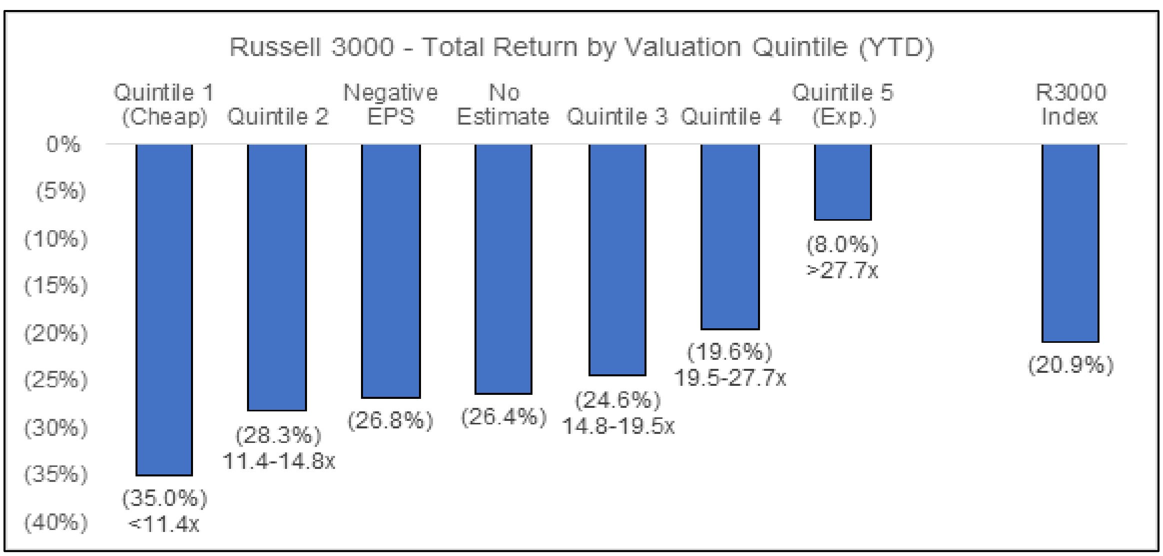
Market Commentary

The first quarter of 2020 was extraordinary in the speed and breadth of the decline. During 2007-2008, it took 250 trading days for the S&P 500 to drop 30%, but in the quarter just ended that decline happened in just 22 trading days.[7] Through Friday, March 27th, the average absolute *daily* change for stocks in the DJIA over the preceding 25 days was 4.99%, a number that was matched only once in a comparable period in 1929. For comparison, the worst volatility during the 2008-2009 financial crisis saw a high reading of only about

4% a day.[8] The median stock in the Russell 3000 Index fell 32.5% for the quarter and plummeted nearly 43% from its 52-week high.[9] In short, the market action of the past quarter was fast, brutal and painful.

The COVID-19 pandemic and its effect on the economy and corporate earnings was the proximate cause of the markets' troubles, starting in the equity markets and spreading to mortgage bonds, investment-grade and high-yield corporates, and even affecting Treasuries at one point. We believe the ferocity of the first quarter volatility is likely, in part, a rapid and partial unwind of a decade of complacency. Post financial crisis and with only a few brief exceptions, the last decade, fueled by low interest rates and improving economic conditions, has been one of very low volatility. Into that environment stepped all manner of unregulated financial companies looking to harness that low volatility, with leverage of course, in order to augment returns. From mortgage REITs active in private label or commercial mortgages to funds buying leveraged loans, Treasury futures or pursuing risk parity or quantitative/algorithmic trading strategies, many employed leverage to amplify small returns with an implicit bet that conditions would stay calm or at least within reasonable historical bounds. Beyond that, non-financial corporate balance sheets were levered up too, with the irresistible pull of low interest rates that made any transaction accretive to earnings. The exogenous shock of COVID-19, social distancing and the mad dash for liquidity led to an immediate reassessment of the wisdom of all those risks at once. Fierce selling shattered many historical trading relationships, which forced deleveraging, further amplifying selling pressure. The Fed has stepped in and mostly calmed the short-term and mortgage markets, but conditions elsewhere still signal heightened risk, with the CBOE Volatility Index (VIX) and bond spreads still elevated by historical standards. [10,11]

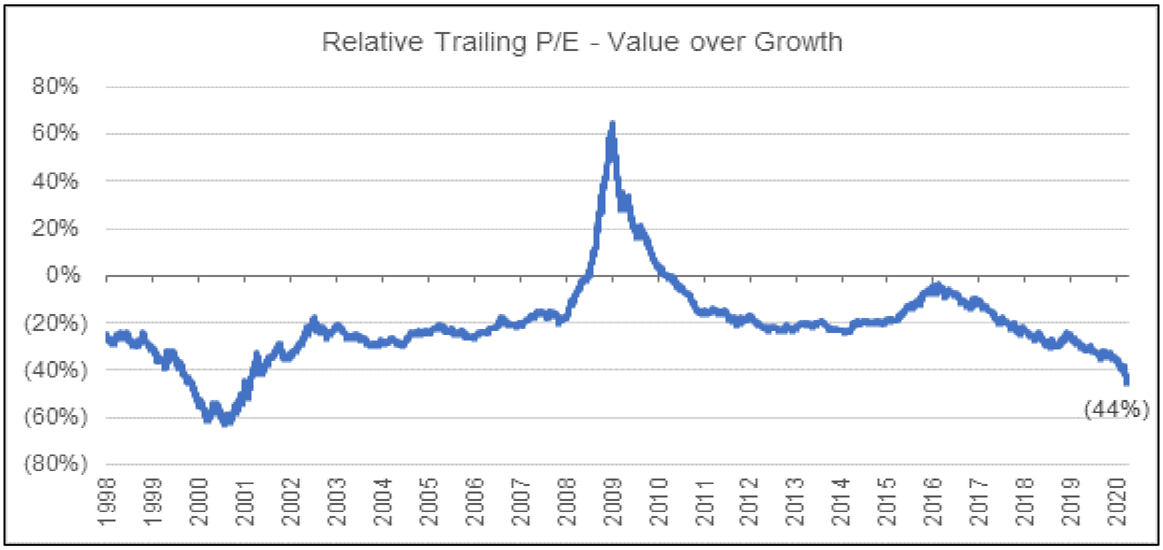
One of the unique aspects of the market action in this quarter was the extreme outperformance of growth versus value. While our valuation model allows us to pay a premium for growth characteristics, we ultimately have limits regardless of the merits of the business. The future is uncertain, and we don't believe we can forecast cash flows as far into the future as necessary to justify owning expensive growth stocks. Rather, our historic pattern of returns has been generated by building a diversified portfolio of quality companies selling at reasonable valuations. In this quarter, as shown below, the most expensive stocks not only outperformed as the bull market continued in February but held up the best by far during the steep decline, despite entering the period with historically high valuations.



Data Source: S&P Global Market Intelligence. See footnote 12.

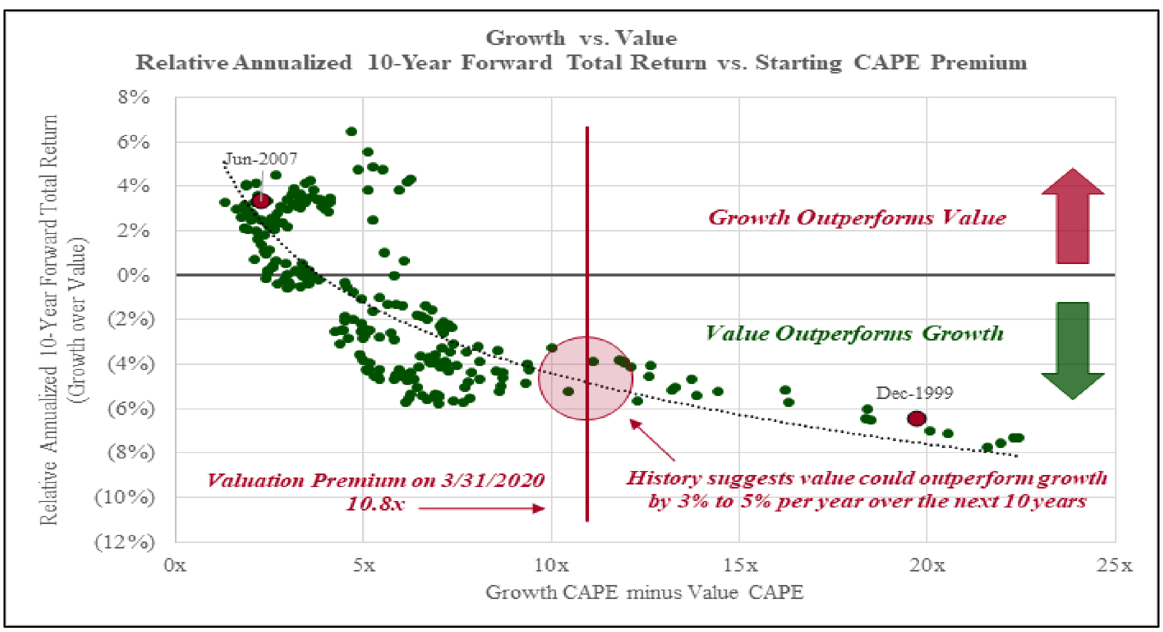
Though some names in the expensive bucket are thematically on point in this current environment (e.g., online retail, cloud platforms and data centers, remote-work software, etc.), many in the group have either significant economic sensitivity, poor business models that even in good times cannot earn their cost of capital, or are simply too expensive to deliver decent forward returns. We believe this realization should become more apparent as we move forward.

We have written previously of the valuation similarities between today and the late 1990s, and this quarter has only accentuated that trend. As shown in the following chart, value stocks are trading nearly as cheaply relative to growth as they were in the tech bubble.



Data Source: S&P Global Market Intelligence, Russell 1000 Index. See footnote 13.

Within the value space, inexpensive but high quality stocks (our chief focus) are priced for good forward returns, while more expensive growth names are collectively priced for mediocre or worse returns. To reinforce this point and the merits of value investing, we've updated a chart that we included in our 2019 Fourth Quarter Commentary. It shows the relationship between *prospective* returns and the spread between growth and value CAPE ratios. If past is prologue, then the current 10.8x growth-stock premium indicates that value stocks could outperform growth stocks by 3% to 5% *per annum* over the coming decade.



Data Source: S&P Global Market Intelligence, see footnote 14.

Of course, we do not know the length of this economic downturn, nor the timing or trajectory of an eventual recovery. But we have seen crises before and expect to see them again. While certain aspects of this crisis seem worse – for instance, the likely depth of GDP and employment declines – there are other aspects that we believe are noticeably better. For example, the shut down and attendant declines in demand were self-imposed, and before this the economy was in relatively good shape. Thus, the worst declines should be relatively short-term in nature, though aftereffects may linger. The Fed has stepped in to provide extra short-term liquidity, but the regulated banking system is well positioned, with high capital levels, generally good assets/loans ratios and significant bank liquidity. As we read in a recent strategy piece, "In the financial crisis, banks were part of the problem. Now, they can be part of the solution."[15]

This all stands in contrast to 2007-2008, when banks were overleveraged and had significant concentrations in bad loans, chiefly overleveraged mortgages on overpriced homes, which resulted in a rolling crisis. It seemed as if the unwind would never end. Finally, unlike 2008, Congress has acted with surprising bipartisan speed. More government intervention may eventually be needed, and there will surely be winners and losers, as well as a lag before the effects are felt. Still, the CARES (Coronavirus Aid, Relief, and Economic Security) Act spends, on an inflation adjusted basis, roughly half the amount as the United States government spent on all of World War II, and there are already indications there may be more spending to come. [16,17] Every week we gain additional insight into COVID-19, possible treatments, and get closer to a vaccine and a bending of the curve, both in the United States and worldwide. On the other side of this crisis may lie an economy not ruined by war or laden with bad assets, but one with its productive assets in place and a population ready to get back to work.

Portfolio Positioning[18]

Our portfolio turnover tends to increase in periods of heightened volatility. This quarter was no exception, with turnover approaching levels last seen in 2007-2008. Our playbook in intense and volatile periods such as these remains the same:

- Dispassionately assess the unfolding new reality, in this case a deep recession of uncertain duration, especially concentrated in particular segments of the economy, coupled with increasing, broad credit concerns;
- Identify for purchase companies that are 1) attractively priced on a conservative assessment of normalized earnings with 2) favorable ownership economics, 3) capital structures to see them through an extended period of difficulty without the need to raise dilutive equity capital, and 4) debt maturity schedules that won't leave them beholden to displaced credit markets;
- Triage positions most vulnerable to the changing realities; and
- Further fund new purchases with trims and sales of stocks that have held up relatively well, especially those that benefit from the near-term landscape but whose prospects haven't improved over the longer-term.

Below is a summary of our trading activity during the quarter. A more in-depth description of our buys is attached.

Buys: Cisco Systems (CSCO), General Dynamics (GD), Medtronic (MDT), National Fuel Gas (NFG), Charles Schwab (SCHW), Sysco Corp (SYY) and Williams (WMB)

Adds: Johnson & Johnson (JNJ), Truist Financial (TFC), Target (TGT), Total (TOT), Travelers (TRV), United Parcel Service (UPS), US Bancorp (USB), Verizon (VZ), Wells Fargo (WFC), Cimarex Energy (XEC) and Exxon Mobil (XOM)

Sells: Alliance Data Systems (ADS), Franklin Resources (BEN), Medtronic (MDT), Molson Coors Beverage (TAP) and Schlumberger (SLB)

Trims: eBay (EBAY), Facebook (FB), Globe Life (GL), Hartford Financial Services (HIG), Honda Motor (HMC) and Kroger (KR)

The net result of our trading activity during the quarter: We upgraded the quality of our portfolio, reduced some positions that we think have balance-sheet risks or value-trap characteristics, and worked cash levels down to roughly 5-6% in representative accounts, while maintaining what we consider attractive valuations. As shown below, our portfolio is currently a high quality one, with a strong weighted average credit rating (A to A-) that should enable it to weather an extended downturn.[19] Over the longer term, we believe it is priced to deliver good absolute and relative returns.

	EIC ACV	Russell 3000 Value	Russell 3000 Growth
Forward P/E	**12.1x**	**11.3x**	**16.7x**
Trailing P/E	**12.1x**	**11.6x**	**18.7x**
Dividend Yield	**3.9%**	**3.7%**	**1.5%**
Trailing ROE	**14.4%**	**8.7%**	**10.5%**
Leverage	**2.3x**	**3.1x**	**1.0x**

Data Source: Morningstar Direct SM, S&P Global Market Intelligence. As of March 31, 2020. See footnote 20.

As always, we thank you for your partnership with EIC.

Investment Team
W. Andrew Bruner, CFA, CPA
R. Terrence Irrgang, CFA
Ian Zabor, CFA

Disclosures

[1]Source: Batnick, Michael, "The Fastest Bear Market Ever." 09 March 2020. <https: //theirrelevantinvestor.com/ 2020/03/09/the-fastest-bear-market-ever/>.07 April 2020.

[2]Source: S&P Dow Jones Indices LLC, indexology®, Dow Jones Industrial Average®, Top Daily % Gains. <https://us.spindices.com/indexology/djia-and-sp-500/sizzlers-and-fizzlers>. 07 April 2020.

[3]Data Source: S&P Global Market Intelligence, Quarterly returns of the Russell 3000, 2000 & 1000 Value Indexes, June 30, 1979-March 31, 2020; Russell Midcap Value, March 31, 1986-March 31, 2020.

[4] Data Source: S&P Global Market Intelligence, Quarterly returns of the Russell 3000 Value and Growth Indexes, June 30, 1979-March 31, 2020.

[5]EIC's ACV and LCV results are those of our All-Cap Value SMA and Large-Cap Value SMA composites gross (before) and net (after) assumed maximum annual SMA fees of 3% (0.25% per month). SMA fees include transaction costs, portfolio management, custody, and other administrative fees. *Gross returns for EIC SMA composites are "pure" gross returns, do not reflect the deduction of any expenses, including trading costs, and are presented as supplemental information to the full disclosure presentations, which are considered an integral part of this report. All returns include reinvestment of dividends and interest. Indices are unmanaged, do not incur management fees, costs or expenses, and cannot be invested in directly. Past performance is not indicative of future results. Individual account results may differ from those of a composite. Client net returns are reduced by EIC's management fees or may possibly be reduced by brokerage firm wrap fees, which include transaction costs, portfolio management, custody, and other administrative fees.*

[6]Intra-quarter returns are estimated "pure" gross returns calculated from subsets of EIC's All-Cap Value SMA and Large-Cap Value SMA composites, before EIC or brokerage firm wrap fees, and differ from the calculation of composite returns by (1) inclusion of accounts that terminate or otherwise leave the composite by quarter-end; (2) inclusion of unreconciled accounts; and (3) using a beginning-of-period cash-flow adjusted weighting scheme, and are presented as supplemental information to the full disclosure presentations, which are considered an integral part of this report.

[7]Source: Bank of America Research. As seen in Carlson, Ben, “The Corona Crisis vs. The Great Depression.” 31 March 2020. <https://awealthofcommonsense.com/2020/03/the-corona-crisis-vs-the-great-depression/>.07 April 2020.

[8]Source: Batnick, Michael, @michaelbatnick, 27 March 2020. <https://twitter.com/michaelbatnick/status/

1243631709503053824>. As seen in Carlson, Ben, “The Corona Crisis vs. The Great Depression.”31 March 2020. <https://awealthofcommonsense.com/2020/03/the-corona-crisis-vs-the-great-depression/>. 07 April 2020.

[9]Data Source: S&P Global Market Intelligence. Russell 3000 constituents, March 31, 2020 closing price, December 31, 2019 closing price, 52 week high price as of March 31, 2020.

[10]Data Source: Federal Reserve Bank of St. Louis, FRED® Economic Data, Financial Indicators, Volatility Indexes, <https://fred.stlouisfed.org/series/VIXCLS>. 07 April 2020.

[11]Data Source: Federal Reserve Bank of St. Louis, FRED® Economic Data, Interest Rates, Interest Rate Spreads, <https://fred.stlouisfed.org/series/BAA10Y>. 07 April 2020.

[12]Russell 3000 Index constituents with negative earnings per share (EPS) are in one bucket. Those with no EPS estimates are in another. Remainder are divided equally into five quintiles by valuation as defined by forward EPS yield. Total return buckets are weighted by Russell 3000 Index weight.

[13]Russell 1000 Value trailing Price/Earnings (P/E) premium relative to the Russell 1000 Growth trailing P/E calculated each month-end January 31, 1998 to March 31, 2020. Trailing earnings are defined as the ratio of index prices to trailing annual index level earnings before taxes (EBT) on a time-weighted basis. Annual index level EBT is imputed by dividing the year-end index price by an aggregated price to EBT multiple of index constituents. Price to EBT is calculated by aggregating the available year-end market value of index constituents to the available adjusted trailing twelve months EBT (excluding unusual items) of index constituents.

[14]Russell 1000 Growth modified CAPE premium over Russell 1000 Value modified CAPE (x-axis) for each month-end January 31, 1990 to March 31, 2020, plotted against the subsequent annualized 10-year forward total return difference between the Russell 1000 Growth and Russell 1000 Value (y-axis) for each month-end January 31, 1990 to February 28, 2010. Modified CAPE is the ratio of index prices to trailing 10-year index level earnings before taxes (EBT) on a time-weighted basis. Annual index level EBT is imputed by dividing the year-end index price by an aggregated price to EBT multiple of index constituents. Annualized 10-year forward total return data is unavailable subsequent to February 28, 2010.

[15]Source: Mayo, Michael, Wells Fargo Securities LLC. Quoted in Bary, Andrew, “Big Banks Are Facing Their First Major Test Since the Financial Crisis.” Barrons. 20 March 2020. <https://www.barrons.com/articles/big-banks-have-their-real-life-stress-test-why-they-will-persevere-51584743591>. 07 April 2020.

[16]Data Source: Committee for a Responsible Federal Budget. What's in the $2 Trillion Coronavirus Relief Package? 25 March 2020. <http://www.crfb.org/blogs/whats-2-trillion-coronavirus-relief-package>. 08 April 2020.

[17]Data Source: Daggett, Stephen, Congressional Research Service. Costs of Major U.S. Wars. 29 June 2010. <https://fas.org/sgp/crs/natsec/RS22926.pdf>. 07 April 2020.

[18]Portfolio data is from representative All-Cap Value and Large-Cap Value accounts. Actual portfolio holdings may vary for each client, and there is no guarantee that a particular client's account, “wrap,” or advisory program will hold any, or all, of the securities identified. The securities identified and described above do not represent all of the securities purchased, sold or recommended for client accounts. The reader should not assume that an investment in the securities identified was or will be profitable.

[19]Data Source: S&P Global Market Intelligence as of March 31, 2020. Credit-quality ratings represent Standard & Poor’s (S&P) opinion as to the quality of the securities they rate. The ratings range from AAA (extremely strong capacity to meet its financial commitments) to D (in default). Ratings are relative and subjective and are not absolute standards of quality. The ratings provided relate to the underlying securities within the representative All-Cap Value portfolio and not the portfolio itself.

[20]Calculated by Morningstar Direct℠ for representative All-Cap Value account, Russell 3000 Value and Growth Indexes. Forward P/E is median P/E using 1-year forward earnings estimates. Trailing P/E is median P/E using trailing twelve months earnings per share. Dividend Yield is weighted average of equities only. Trailing ROE is median return on equity for the trailing twelve months. Leverage calculated by EIC from S&P Global Market Intelligence data as debt less cash and short term investments divided by trailing earnings before interest, taxes, debt and amortization (EBITDA) (excluding Financials sector).

EQUITY INVESTMENT CORPORATION

Summary of First Quarter 2020 Purchases

In the recent market downturn, we completed a number of purchases, namely:

The Williams Companies Inc. (WMB) – A collection of interstate gas pipelines, gathering and processing businesses. Notwithstanding long-term contracts that are relatively unaffected by the commodity price, WMB's share price has fallen in concert with other energy stocks. Despite persistently low gas prices, gas production and usage continues to be in secular rise. Investment grade and highly cash generative with high dividend yield.

National Fuel Gas Company (NFG) – A diversified natural gas company that derives over half its profits from a gas utility and pipelines, both more stable businesses with little commodity price exposure. (In fact, NFG is classified as a utility.) Conservatively managed and prudently capitalized. Like WMB, NFG has seen its stock price decline sharply despite its relative lack of commodity price exposure, thus creating an attractive entry point.

Cisco Systems Inc. (CSCO) – AA- rated with net cash position and market leadership in high margin categories (routers and switches). We previously owned and sold in 2019 in mid-$50s on valuation. Bought back in high-$30s. Attractively priced and high quality.

The Charles Schwab Corporation (SCHW) – Market leader that has been consistently taking market share, reinforcing its dominant position in RIA-custody. Very high quality balance sheet. Levered to short-term interest rates, so with rate declines, earnings will be depressed (as they were for much of the last decade, including during our previous ownership). We are assuming TD Ameritrade acquisition will be blocked by regulators, though if it's permitted, will be highly accretive and very positive.

Sysco Corporation (SYY) – A dominant market leader in wholesale food distribution to restaurants and institutions, a business placed largely on hold during COVID-19 quarantines. Stock price declined 60% –we purchased it in the mid-$30s. Upon return to normal it's a very good, high-margin business, likely to continue gaining share and increasing margins. Was A- rated prior to crisis, downgraded to BBB- on shutdown but with a sound capital structure and having already addressed near-term debt maturities.

Medtronic plc (MDT) – A diversified, high quality medical devices business with particular strength in cardiovascular. A-rated and has significantly de-levered since Covidien transaction in early 2015. We sold in January 2020 at $120 based on valuation. Recently repurchased it below $80.

General Dynamics Corporation (GD) – High quality and well-managed defense and aerospace businesses. A rated and well-capitalized. Diversified defense businesses with multiple years of revenue in funded backlog. Inexpensive even under the assumption that aerospace business (Gulfstream) is not profitable due to recession – GD's earnings multiple on par with other large defense contractors. But, Gulfstream is best-in-class and highly valuable, despite near-term earnings uncertainty.

Equity Investment Corporation (EIC) is an SEC registered independent investment advisor incorporated in the state of Georgia. EIC was founded in 1986. Effective September 30, 2016, substantially all of the assets and liabilities of the firm were acquired by three members of the investment team who collectively have more than 40 years of experience at EIC. Accounts continue to be managed using the same investment process, and the firm continues to operate as EIC. Performance numbers (beginning July 1, 1995) are the value-weighted, time-weighted, total return composite results of fully discretionary All-Cap Value equity wrap fee (SMA) accounts. The strategy employs a flexible framework (not constrained by any cap size limitations) of investing in high-quality, well-managed companies, while at the same time avoiding those that look inexpensive relative to their historical record but are actually in structural decline. Prior to January 1, 2013, the composite was called the All-Cap Value Wrap Composite. Returns are generally presented net of foreign withholding taxes on dividends, interest income, and capital gains; however, returns for some accounts are presented gross of foreign taxes depending on the treatment by their custodian. Prior to July 1, 1995, the returns are that of the All-Cap Value composite. Results for the period January 1, 1989, through July 1, 1995, include both SMA and non-SMA accounts. During this period, SMA accounts represent on average 24% of the composite. Since July 1, 1995, SMA accounts comprise 100% of the composite. The composite creation date is July 1, 1995. All accounts included in the composite are managed according to similar investment guidelines. On January 1, 2003, the benchmark (which excludes an advisory fee) was changed retroactively from the S&P® 500 Index to the Russell 3000® Value Index, which is more representative of the composite. Performance includes reinvestment of dividends, and EIC's returns also include interest earned on cash. The Russell 3000® Value Index measures the performance of the largest 3000 US companies in the value segment of the US equity universe. The Russell 3000® Value Index is based on the Russell 3000® Index, a market-capitalization weighted equity index representing approximately 98% of the investable US equity market.

									Advisory-Only (UMA) and Managed Assets		
Year Ended Dec - 31	Gross* Rate of Return[1] (Supplemental)	Hypothetical 3% Annual Net Rate of Return[1]	Benchmark Return of Russell 3000® Value Index	Composite 3-Yr St Dev	Benchmark 3-Yr St Dev	Dispersion[2] of Annual Returns (St Dev)	Number of Portfolios[3]	Composite Assets ($ Millions)	UMA Assets[4] ($ Millions) (Supplemental)	GIPS® Firm Assets ($ Millions)	Total Assets[4] ($ Millions) (Supplemental)
2020 (through 3/31)	-23.3%	-23.9%	-27.3%	14.2%	16.8%	0.5%	1846	$738.7	$1,414.1	$1,487.4	$2,901.5
2019	22.7%	19.1%	26.3%	10.6%	12.0%	0.6%	2065	$1,151.4	$1,942.4	$2,245.1	$4,187.5
2018	-6.4%	-9.2%	-8.6%	9.3%	11.1%	0.3%	2341	$1,064.9	$1,721.0	$2,219.9	$3,940.9
2017	15.6%	12.2%	13.2%	8.0%	10.3%	0.4%	2486	$1,264.8	$2,044.9	$2,790.7	$4,835.6
2016	12.2%	8.9%	18.4%	8.6%	11.0%	0.5%	2893	$1,406.1	$2,044.5	$2,994.4	$5,038.9
2015	-4.4%	-7.2%	-4.1%	8.9%	10.7%	0.5%	4727	$1,964.8	$1,590.0	$3,658.9	$5,248.9
2014	14.9%	11.5%	12.7%	8.1%	9.4%	0.5%	5272	$2,259.6	$1,657.7	$3,862.6	$5,520.3
2013	24.7%	21.1%	32.7%	9.2%	12.9%	0.6%	4290	$1,703.6	$1,009.2	$3,286.3	$4,295.5
2012	10.0%	6.7%	17.6%	11.5%	15.8%	0.4%	2742	$1,016.1	$665.6	$2,301.1	$2,966.7
2011	7.4%	4.2%	-0.1%	16.3%	21.0%	0.6%	1398	$556.0	$314.5	$1,127.9	$1,442.5
2010	18.2%	14.7%	16.2%	18.7%	23.5%	0.5%	937	$432.6	$77.9	$836.9	$914.8
2009	26.9%	23.2%	19.8%	17.3%	21.3%	1.3%	743	$282.7	$10.5	$541.2	$551.8
2008	-22.9%	-25.2%	-36.3%	11.7%	15.5%	1.0%	946	$220.2	$0.0	$362.6	$362.6
2007	3.3%	0.3%	-1.0%	7.0%	8.3%	0.8%	935	$283.5	$0.0	$448.1	$448.1
2006	16.6%	13.1%	22.3%	6.2%	7.0%	0.8%	758	$252.7	$0.0	$487.2	$487.2
2005	2.8%	-0.3%	6.9%	8.8%	9.7%	0.7%	675	$195.5	$0.0	$463.6	$463.6
2004	13.9%	10.6%	16.9%	11.4%	14.8%	0.8%	531	$137.4	$0.0	$388.1	$388.1
2003	25.2%	21.6%	31.1%	13.6%	16.0%	0.8%	289	$70.0	$0.0	$231.0	$231.0
2002	-4.1%	-6.9%	-15.2%	15.9%	16.6%	1.5%	59	$14.6	$0.0	$110.7	$110.7
2001	16.9%	13.5%	-4.3%	15.7%	14.1%	0.8%	13	$5.4	$0.0	$82.2	$82.2
2000	18.6%	15.2%	8.0%	18.0%	16.8%	0.8%	16	$6.5	$0.0	$62.3	$62.3
1999	2.1%	-0.9%	6.6%	15.7%	15.9%	1.0%	27	$13.0	$0.0	$64.1	$64.1
1998	16.2%	12.8%	13.5%	14.5%	14.9%	0.9%	11	$2.8	$0.0	$35.2	$35.2
1997	30.1%	26.4%	34.8%	8.8%	9.5%	0.8%	12	$4.9	$0.0	$38.8	$38.8
1996	8.0%	4.8%	21.6%	7.7%	9.2%	0.6%	19	$16.6	$0.0	$69.7	$69.7
1995	19.7%	16.2%	37.0%	6.2%	8.3%	0.6%	42	$23.0	$0.0	$93.4	$93.4
1994	0.2%	-2.8%	-1.9%	5.7%	8.2%	0.8%	65	$32.7	$0.0	$92.6	$92.6
1993	11.3%	8.0%	18.7%	8.0%	9.5%	0.7%	72	$44.0	$0.0	$84.5	$84.5
1992	10.6%	7.4%	14.9%	12.5%	13.7%	0.9%	69	$53.3	$0.0	$84.1	$84.1
1991	37.0%	33.0%	25.4%	13.3%	14.5%	1.3%	58	$35.6	$0.0	$48.9	$48.9
1990	-8.0%	-10.7%	-8.8%	13.2%	13.5%	0.7%	59	$25.8	$0.0	$30.4	$30.4
1989	20.8%	17.3%	24.2%	18.0%	17.6%	1.6%	51	$21.4	$0.0	$27.8	$27.8
1988	27.4%	23.7%	23.6%	19.9%	18.9%	1.7%	14	$6.0	$0.0	$8.0	$8.0
1987	10.6%	7.4%	-0.1%	N/A	N/A	N/A	5	$0.5	$0.0	$0.6	$0.6
1986	25.0%	21.3%	18.8%	N/A	N/A	N/A	2	$0.2	$0.0	$0.2	$0.2

See next page for Table Notes and other disclosures

Table Notes:
[1] *Gross returns, presented as supplemental information, are "pure" gross and do not reflect the deduction of any expenses, including trading costs, for SMA accounts. "Pure" gross returns from 10/1/02 through 12/31/06, reflect the deduction of trading costs but not any additional expenses. For the period 1/1/89 through 7/1/95, SMA accounts represent on average 24% of the composite assets. Prior to 7/1/95 and for the periods 10/1/02 through 12/31/06, the returns are that of EIC's All-Cap Value composite. For all other periods, SMA accounts represent 100% of the composite assets. Net returns are calculated by reducing gross returns with an annual SMA fee of 3.0%, applied monthly.
[2] Dispersion is an asset-weighted standard deviation for the accounts in the composite for the entire year (or year-to-date). "N/A" represents when dispersion is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year. For 1986 through 1995 dispersion represents EIC's All-Cap Value composite, which contains both SMA and non-SMA accounts. For 1996 through 2005, dispersion represents EIC's internally administered SMA accounts.
[3] Number of Portfolios/Composite Assets significantly decreased in 2016 due to transitioning of a major SMA program to a model based (UMA) program during Q416.
[4] "Total Assets" include our regulatory assets under management ("GIPS® Firm Assets") and our advisory-only "UMA Assets". EIC has no trading discretion for UMA accounts and provides a model portfolio to the program sponsor or overlay manager. The "UMA Assets" and "Total Assets " amounts are shown as supplemental information.
Additional Notes: The three year annualized standard deviation measures variability of the composite (gross of fees) and the benchmark returns over the preceding 36 month period.

Performance has been measured on a monthly basis from January 1, 1986, to present. Periods are geometrically linked to obtain the quarterly and annual results. Eligible new accounts are added to the composite at the beginning of the first full quarter under EIC management. Trade-date accounting with monthly valuations and adjustments for large cash flows are used. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. The US Dollar is the currency used to express performance. Returns include the reinvestment of all income. There were non fee-paying accounts during the following years: 1986: 100%; 1987: 36%; 1988: 2%; 1999-2000: 1%; 2010 – 2017: <1%. There are no non fee-paying accounts during any other period. Economic and market conditions have differed over the time period displayed, and likewise will be different in the future. Policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.

EIC claims compliance with the Global Investment Performance Standards (GIPS®) since inception and has prepared and presented this report in compliance with the GIPS® standards. EIC has been independently verified for the periods January 1, 1986, through December 31, 2019. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards. Verification does not ensure the accuracy of any specific composite presentation. The verification reports, as well as a complete list and description of all the firm's composites, are available upon request by contacting Equity Investment Corporation, 1776 Peachtree Street NW, Suite 600S, Atlanta, GA 30309. Prospective clients should be aware that results are historical and do not imply future rates of return or volatility for EIC or the indices, which may be materially different from the past and from each other.

Investment management fees are based on market values of the assets under management. In addition to a management fee, some accounts pay an all-inclusive fee based on a percentage of assets under management. Other than brokerage commissions, this fee includes portfolio monitoring, consulting services, and in some cases, custodial services. EIC's maximum annual fees for SMA accounts (charged quarterly) are 0.75%. Total fees charged may equal 3% per year. SMA schedules are provided by independent SMA sponsors and are available upon request from the individual sponsor. Further information about fees and compensation is discussed in EIC's form ADV Part 2 (www.adviserinfo.sec.gov).

Large-Cap Value SMA Composite Performance Description

Equity Investment Corporation (EIC) is an SEC registered independent investment advisor incorporated in the state of Georgia. EIC was founded in 1986. Effective September 30, 2016, substantially all of the assets and liabilities of the firm were acquired by three members of the investment team who collectively have more than 40 years of experience at EIC. Accounts continue to be managed using the same investment process and the firm continues to operate as EIC. Performance numbers are the value-weighted, time-weighted, total return composite results of fully discretionary large-cap value wrap fee (SMA) accounts managed in the style of the firm's traditional value methodology with a large-cap bias. The strategy employs a flexible framework of investing in high-quality, well-managed companies, while at the same time avoiding those that look inexpensive relative to their historical record but are actually in structural decline. Prior to January 1, 2013, the composite was called the Large-Cap Value Wrap Composite. Returns are generally presented net of foreign withholding taxes on dividends, interest income, and capital gains; however, returns for some accounts are presented gross of foreign taxes depending on the treatment by their custodian. The composite creation date is January 1, 2001, and SMA accounts comprise 100% of the composite. For comparison purposes the composite is measured against the Russell 1000® Value Index, which excludes an advisory fee. On January 1, 2003, the benchmark was changed retroactively from the S&P 500® Index to the Russell 1000® Value Index, which is more representative of the composite. The Russell 1000® Value Index measures the performance of the large-cap value segment of the US equity universe. It is a subset of the Russell 3000® Value Index and includes those Russell 1000® companies with lower price-to-book ratios and lower expected long-term mean earnings growth rates. The Russell 1000® represents approximately 90% of the investable US equity market.

									Advisory-Only (UMA) and Managed Assets		
Year Ended Dec - 31	Gross* Rate of Return[1] (Supplemental)	Hypothetical 3% annual Net Rate of Return[1]	Benchmark Return of Russell 1000® Value Index	Composite 3-Yr St Dev	Benchmark 3-Yr St Dev	Dispersion[2] of Annual Returns (St Dev)	Number of Portfolios[3]	Composite Assets ($ Millions)	UMA Assets[4] ($ Millions) (Supplemental)	GIPS® Firm Assets ($ Millions)	Total[4] ($ Millions) (Supplemental)
2020 (through 3/31)	-23.5%	-24.2%	-26.7%	14.2%	16.6%	0.4%	696	$184.8	$1,414.1	$1,487.4	$2,901.5
2019	22.6%	19.1%	26.5%	10.6%	11.8%	0.6%	786	$279.4	$1,942.4	$2,245.1	$4,187.5
2018	-6.4%	-9.2%	-8.3%	9.1%	10.8%	0.4%	898	$262.8	$1,721.0	$2,219.9	$3,940.9
2017	15.6%	12.3%	13.7%	7.8%	10.2%	0.7%	902	$301.6	$2,044.9	$2,790.7	$4,835.6
2016	11.9%	8.6%	17.3%	8.5%	10.8%	0.5%	938	$289.0	$2,044.5	$2,994.4	$5,038.9
2015	-4.5%	-7.3%	-3.8%	8.9%	10.7%	0.4%	1146	$318.5	$1,590.0	$3,658.9	$5,248.9
2014	15.0%	11.6%	13.5%	8.1%	9.2%	0.5%	361	$159.4	$1,657.7	$3,862.6	$5,520.3
2013	24.8%	21.2%	32.5%	9.4%	12.7%	0.5%	863	$328.7	$1,009.2	$3,286.3	$4,295.5
2012	10.0%	6.8%	17.5%	11.5%	15.5%	0.3%	658	$197.2	$665.6	$2,301.1	$2,966.7
2011	8.2%	5.0%	0.4%	15.9%	20.7%	0.3%	465	$130.1	$314.5	$1,127.9	$1,442.5
2010	16.8%	13.4%	15.5%	18.5%	23.2%	0.4%	409	$98.2	$77.9	$836.9	$914.8
2009	25.0%	21.4%	19.7%	17.2%	21.1%	1.0%	386	$80.0	$10.5	$541.2	$551.8
2008	-22.8%	-25.2%	-36.9%	12.1%	15.4%	N/A	3	$0.9	$0.0	$362.6	$362.6
2007	2.1%	-0.9%	-0.2%	6.9%	8.1%	N/A	3	$1.1	$0.0	$448.1	$448.1
2006	17.7%	14.3%	22.3%	6.0%	6.7%	N/A	3	$1.0	$0.0	$487.2	$487.2
2005	5.7%	2.6%	7.1%	8.7%	9.5%	0.4%	18	$9.3	$0.0	$463.6	$463.6
2004	13.1%	9.8%	16.5%	12.7%	14.8%	0.4%	18	$8.9	$0.0	$388.1	$388.1
2003	23.3%	19.7%	30.0%	14.2%	16.0%	1.1%	21	$8.5	$0.0	$231.0	$231.0
2002	-9.0%	-11.7%	-15.5%	N/A	N/A	0.5%	42	$11.0	$0.0	$110.7	$110.7
2001	14.6%	11.3%	-5.6%	N/A	N/A	1.2%	45	$12.4	$0.0	$82.2	$82.2

[1] *Gross returns, presented as supplemental information, are "pure" gross and do not reflect the deduction of any expenses, including trading costs, for SMA accounts. Net returns are calculated by reducing gross returns by an annual SMA fee of 3.0% (0.75%/quarter during 2001 and 0.25%/month thereafter).

[2] Dispersion is an asset-weighted standard deviation for the accounts in the composite the entire year (or year-to-date). "N/A" represents when dispersion is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

[3] Number of Portfolios/Composite Assets significantly decreased in Q4 2014 and Q4 2016 due to transitioning of two major SMA programs to model based (UMA) programs.

[4] "Total Assets" include our regulatory assets under management ("GIPS® Firm Assets") and our advisory-only "UMA Assets". EIC has no trading discretion for UMA accounts and provides a model portfolio to the program sponsor or overlay manager. The "UMA Assets" and "Total Assets" amounts are shown as supplemental information.

Additional Note: The three year annualized standard deviation measures variability of the composite (gross of fees) and the benchmark returns over the preceding 36 month period.

See next page for additional disclosures

Performance has been measured on a monthly basis from January 1, 2001, to present. Periods are geometrically linked to obtain the quarterly and annual results. Eligible new accounts are added to the composite at the beginning of the first full quarter under EIC management. Trade-date accounting with monthly valuations and adjustments for large cash flows are used. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. The US Dollar is the currency used to express performance. Returns include the reinvestment of all income. During 2002, 2% of the assets are non-fee paying accounts. There are no non-fee paying accounts during any other period. Economic and market conditions have differed over the time period displayed, and likewise will be different in the future. Policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.

EIC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. EIC has been independently verified for the periods January 1, 1986, through December 31, 2019. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards. The Large-Cap Value SMA composite has been examined for the periods January 1, 2001, through December 31, 2019. The verification and composite examination reports, as well as a complete list and description of the firm's composites, are available upon request by contacting Equity Investment Corporation, 1776 Peachtree Street NW, Suite 600S, Atlanta, GA 30309. Prospective clients should be aware that results are historical and do not imply future rates of return or volatility for EIC or the indices, which may be materially different from the past and from each other.

Investment management fees are based on market values of the assets under management. In addition to a management fee, some accounts pay an all-inclusive fee based on a percentage of assets under management. Other than brokerage commissions, this fee includes portfolio monitoring, consulting services, and in some cases, custodial services. EIC's maximum annual fees for SMA accounts (charged quarterly) are 0.75%. Total fees charged may equal 3% per year. SMA schedules are provided by independent SMA sponsors and are available upon request from the individual sponsor. Further information about fees and compensation is discussed in EIC's form ADV Part 2 (www.adviserinfo.sec.gov).

London Stock Exchange Group plc ("LSE Group") is the source and owner of FTSE Russell index data. FTSE Russell is a trading name of certain of the LSE Group companies. "Russell®" is a trade mark of the relevant LSE Group companies and is used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication. FTSE Russell Index information is sourced from S&P Capital IQ.

GIPS® is a registered trademark of CFA Institute. CFA Institute has not been involved in the preparation or review of this report/advertisement.