EQUITY INVESTMENT CORPORATION

All-Cap Value & Large-Cap Value

2022 Third Quarter Commentary

October 2022

It was an awful first nine months of the year for stocks (and bonds too). While we never like losing money, our consistent focus on quality, value, and diversification has proved valuable for clients this year, as it has through prior bouts of market volatility. Our third-quarter, year-to-date, and longer-term results are shown below.

	July	Aug–Sept	Q3	YTD	1 Year	5 Year	10 Year	SI*
EIC ACV SMA Gross	4.1%	-10.7%	-7.0%	-10.5%	-4.0%	8.6%	9.4%	11.4%
EIC ACV SMA Net	3.9%	-11.2%	-7.8%	-12.5%	-6.9%	5.4%	6.2%	8.2%
Russell 3000® Value Index	6.8%	-11.6%	-5.6%	-18.0%	-11.8%	5.1%	9.1%	9.9%
S&P 500® Index	9.2%	-12.9%	-4.9%	-23.9%	-15.5%	9.2%	11.7%	10.4%
EIC LCV SMA Gross	3.6%	-10.2%	-7.0%	-9.5%	-2.9%	8.7%	9.4%	8.8%
EIC LCV SMA Net	3.4%	-10.7%	-7.7%	-11.5%	-5.8%	5.5%	6.2%	5.6%
Russell 1000® Value Index	6.6%	-11.5%	-5.6%	-17.8%	-11.4%	5.3%	9.2%	6.4%
S&P 500® Index	9.2%	-12.9%	-4.9%	-23.9%	-15.5%	9.2%	11.7%	6.7%

Table 1 *Data Source: Morningstar Direct℠. Returns are those of our All-Cap Value (ACV) SMA and Large-Cap Value (LCV) SMA composites gross (before) and net (after) an assumed maximum annual SMA fee of 3% (0.25% per month) (which is assumed to be equal to or higher than the highest actual SMA fee charged by a program sponsor). Returns for periods greater than one year are annualized. *Since inception (SI): January 1, 1986, for ACV; January 1, 2001, for LCV. Past performance does not guarantee future results. See footnote 1.*

In isolation, one quarter does not offer much insight into an investment strategy. Still, it is notable that our shortfall during the third quarter was caused by our underperformance in July, a sharply positive month for stocks. From that brief respite, stocks continued their downward slide, and from the beginning of August through September, we outperformed the value indexes and the S&P 500, much as we have historically in challenging market environments.

For the nine months ended September 30, our ACV and LCV performance remains well ahead of the market indexes. Our outperformance was not driven by a handful of stocks or sector bets but was broad-based. For instance, our holdings topped those in the value indexes in eight of eleven sectors.[2] Moreover, including stocks we sold, around 30% of the stocks in our portfolios this year have posted positive year-to-date returns.[3]

Investment Environment

Virtually nothing is working for investors this year. Not only are equity markets down sharply, but bond markets are also deeply negative, with the 10-year Treasury on track for its worst performance in modern history (since 1928).[4] Between continued COVID-related supply and demand issues, a hawkish Fed increasing interest rates to combat inflation, a prolonged war in Ukraine, a soaring dollar, and recession fears, uncertainty reigns. In fact, we've heard more US companies mentioning "uncertainty" on conference calls than at any time in the last 20 years except for 2020 and the bottom of the financial crisis in Q1 of 2009. The stock market feels like it is responding to an unrelenting drip of bad news. The numbers bear this out:

through three quarters, 2022 has had among the highest percentage of negative trading days in market history, as shown in the following chart.

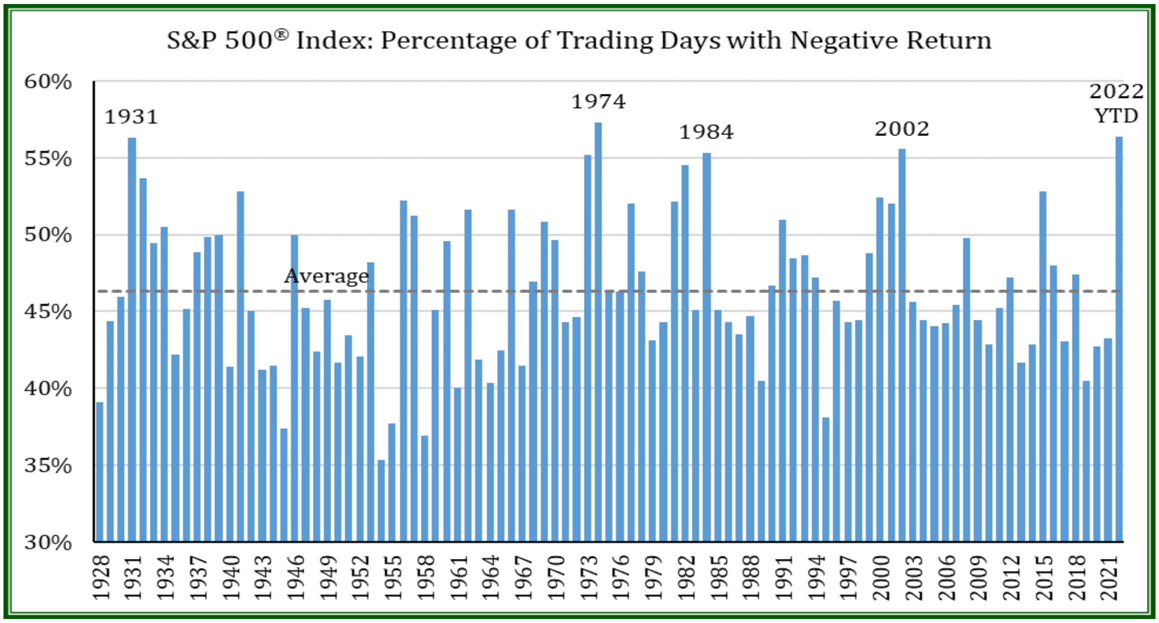

Chart 2 *Data Source: S&P Capital IQ^{PRO}. See footnote 5.*

Stock prices, regardless of size, style, or sector, have been punished this year for disappointing corporate results or guidance, irrespective of the modesty or exuberance of the underlying expectations. Taking a step back, we believe this year's market volatility is beginning the necessary work of correcting for a period of excess. For instance, many of the most speculative investments of the last five years, including cryptocurrency, SPACs, and unprofitable growth companies, have suffered significant losses. Many investors are wondering if these large declines represent buying opportunities.[6] Indeed, we find ourselves looking at more growth stocks than we did a year ago. Unfortunately, the data suggests that more risk and volatility lie ahead, especially for growth investors. While the Russell 3000 Growth Index has tumbled 30.6% year to date, it still trades at levels rarely seen in the past, as shown in the next chart.

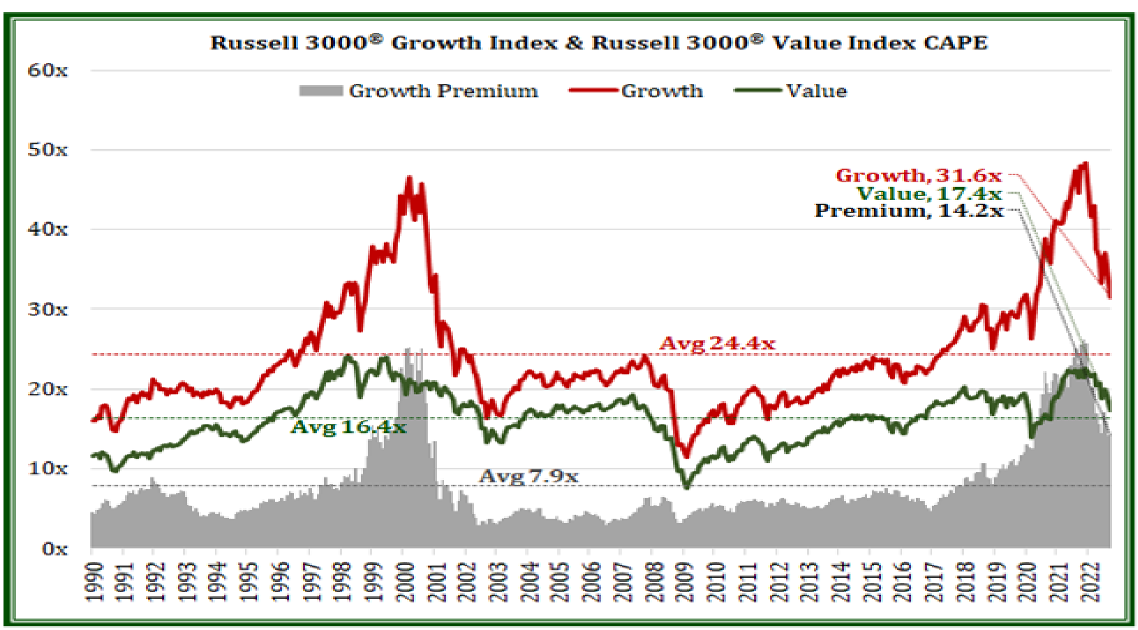

Chart 3 *Data Source: S&P Capital IQ^{PRO}. See footnote 7.*

On top of elevated valuations, profit margins for growth companies remain higher than at any time prior to 2021, and earnings estimates continue to soften, pouring cold water on the notion that near-term earnings growth will lend support to stock prices.[8,9] Finally, already higher interest rates coupled with the specter of further increases loom over the market in general and growth stocks in particular.

At the beginning of the year, some pundits argued that growth stocks were reasonably priced relative to other investment options, given the low level of interest rates. At the time, the 10-year US Treasury yielded 1.5% while growth stocks traded at about 48x cyclically adjusted earnings, a 2.1% earnings yield. So indeed, growth stocks were "yielding" (in cyclically adjusted earnings) slightly more than treasuries. Today, growth stocks no longer offer a premium in earnings yield versus intermediate-term bonds — the 10-year US Treasury yields 3.8% while growth stocks trade around 32x cyclically adjusted earnings, a 3.2% earnings yield.[10,11] By this measure, growth stocks are currently ***more*** expensive than they were at the start of the year, even after falling over 30%!

One surprise this year has been the relatively poor performance of quality strategies, with some doing worse than the S&P 500.[12] These strategies presumably fare well in periods of market volatility by focusing on growing companies with stable earnings, high returns on capital, and balance-sheet strength. However, many of the highest quality companies, including some we have owned in the past, had simply become too expensive to safeguard against anything other than rosy fundamental and economic outcomes. To us, there has always been a difference between a quality business and a quality investment. Overpaying for good or even great businesses can lead to significant losses, as happened during the 1970s (Nifty Fifty), the early 2000s (Dot-com), and so far in 2022. It is the balance between quality and valuation — two hallmarks of our investment process — that provides a margin of safety for the investor.

Many factors have contributed to the stock market's decline this year, including a slowing economy, higher interest rates, inflation concerns, margin erosion, and external shocks such as the war in Ukraine. None were priced into the market a year ago. Today, the situation is much different, as wary investors have pushed valuations significantly lower. Still, we believe neither the market in general nor growth stocks in particular offer investors good odds of acceptable returns. Although we continue to look at growth stocks that have fallen in price, we have found little that meets our investment criteria.

We have no unique insight into what will happen in the future; ours is not a forecasting-based approach. Nevertheless, it would be anomalous for growth stocks to settle at valuation levels that are still so high relative to history.[13] In contrast, valuations are much more reasonable among value stocks and some core stocks. Consequently, our portfolios continue to favor value stocks and a select few core names, thus giving us reasonable odds of earning acceptable long-term returns.

Portfolio Review[14]

While the overall market is richly priced, we are finding investments that meet our criteria and, less a typical amount of frictional cash, consider our portfolios fully invested.

We continue to overweight financials, which remain well-capitalized, inexpensive, and should benefit if interest rates stay high or go higher. In addition, we continue to overweight energy, which has emerged from a lost decade characterized by poor capital allocation. Demand for oil and gas continues to grow, but supply is constrained. And precisely because of their poor decisions over the last decade, management teams are focused on using cash flow for shareholders and not over-producing. Finally, we have a significant overweight in communication services, comprised of less cyclical exposure in Verizon and AT&T and more cyclical exposure in Netflix, Meta Platforms (FKA Facebook), and Warner Brothers Discovery.

Our largest underweight remains technology, where valuations are still rich. A variety of opportunistic investments make up the rest of portfolios. For instance, due to the relative favorability of US markets and economic weakness elsewhere, most developed foreign markets trade at a meaningful discount to the US markets.[15] Though we don't invest directly in foreign markets, we can buy the ADRs of non-US companies, and our current exposure is among the highest it has ever been.[16]

In addition to numerous tax trades during the quarter (for taxable accounts only), we sold our position in OGE Energy Corp. based on valuation. We added to our existing positions in AGNC Investment Corp., Cisco Systems, Honda Motor Co., and Meta Platforms, and we purchased two new stocks, Jones Lang LaSalle, and FedEx Corporation.

Meta Platforms (META) has been our worst performer this year and faces several headwinds, including near-term earnings weakness, flattening user growth, and significant spending on the Metaverse. But importantly, we believe that META, unlike most growth stocks, is attractively priced, which more than compensates investors for these risks. Trading at approximately 12x estimates of forward earnings net of cash, the company is as cheap as it has ever been.[17] META remains one of the highest-quality companies in our portfolios, with high returns on capital, strong margins and cash flow, a solid balance sheet, and significant growth prospects.

We acquired a 2.0% position in Jones Lang Lasalle (JLL). The company is the world's second-largest property services business based on net revenues, less than half the size of its larger competitor, CBRE Group, but only about a third of its market capitalization. JLL primarily engages in leasing, real estate capital market activities, property management, project management, valuation services, and asset management. While capital markets revenue is likely to weaken with higher interest rates, the company's leasing business may prove to be more resilient than expected in a weakening economic environment, given that it had not fully recovered from the pandemic shock. JLL has historically produced attractive top-line growth, driven by market share gains from smaller competitors, accretive acquisitions, and a steady industrywide increase in the outsourcing of building management and leasing services. The company has a strong balance sheet, operating with approximately 1x of leverage and garnering a BBB+ rating from S&P.[18] Shares also traded at an attractive 8x consensus estimates of forward earnings at purchase, a sizable discount to the broader market, its larger peer, and JLL's trading history.[19]

Finally, we purchased a 1.5% position in FedEx Corporation (FDX), the largest express logistics business globally. The company also operates ground delivery and less-than-truckload freight services in North America. FDX shares plunged over 30% in September when the company withdrew formal earnings guidance for the fiscal year due to a significant drop-off in global package volumes. Its profit growth has lagged that of UPS in recent years, but the underperformance has accelerated in the last 18 months as rising labor and freight costs have negatively impacted the FDX independent contractor model more than the UPS employee model. However, we view these businesses as roughly similar and expect fundamental performance to converge over the long term. The company maintains an investment-grade credit rating from S&P of BBB. At purchase, FDX traded at an undemanding valuation of 11.5x our view of normalized earnings power. Coincident with the purchase of FDX, we trimmed our position in UPS in most portfolios due to the similarities between the two businesses.

As always, we thank you for your interest in EIC.

Investment Team

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

Robert Ladyman, CFA   Thomas Knapp, CFA

[1]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 GIPS® Composite Reports, which are considered an integral part of this commentary. Net returns are calculated by reducing gross returns with an assumed maximum annual SMA fee of 3.0%, applied monthly. SMA fees include transaction costs, portfolio management, custody, and other administrative fees. Platform sponsor fees may vary. SMA fee schedules are provided by independent SMA platform sponsors and are available upon request from the individual sponsor. All returns include reinvestment of dividends and interest. Indexes are unmanaged, do not incur management fees, costs, or expenses, and cannot be invested in directly. Performance data is historical. Current performance may be lower or higher than the performance quoted. Individual client portfolio results may vary.

[2]Data Source: Morningstar Direct℠. Performance attribution for EIC ACV and LCV representative portfolios versus Russell 3000 Value and Russell 1000 Value indexes, respectively, for year-to-date September 30, 2022.

Sectors are determined using the Global Industry Classification Standard (GIC). GICS® was developed by and is the exclusive property of Standard & Poor's Financial Services LLC (SP") and MSCI Inc. (MSC"). GICS is the trademark of S&P and MSCI. Global Industry Classification Standard, GICS, and GICS Direct are service marks of S&P and MSCI.

[3]In 2022 we have held 52 and 48 positions in the representative ACV and LCV portfolios, respectively. Fifteen of the holdings in each portfolio were either sold for a gain or had a year-to-date unrealized gain on September 30, 2022.

[4]Source: Bilello, Charlie. "No Safety from the Safety Trade." S&P 500, US 10-Year Treasury, and 60/40 Portfolio (Total Returns, 1928–2022 as of 9/30/2022). https://compoundadvisors.com/2022/10-chart-thursday-10-6-22. 7 October 2022.

[5]Number of S&P 500 Index daily returns that were negative to total number of index daily returns for each calendar year 1928–2021 and year-to-date September 30, 2022. Average over period measured was 46%.

[6]Source: Banerji, Gunjan and McCabe, Caitlin. "Buy the Dip Believers Are Tested by Market's Downward Slide." May 10, 2022. https://www.wsj.com/ articles/buy-the-dip-believers-are-tested-by-markets-downward-slide-1165 2197077. 26 September 2022.

[7]Russell 3000 Growth Index modified CAPE (red line), Russell 3000 Value Index modified CAPE (green line), Russell 3000 Growth Index modified CAPE premium over Russell 3000 Value Index modified CAPE (gray area) at each month-end from January 31, 1990 to September 30, 2022. Modified CAPE (Cyclically Adjusted Price-to-Earnings) 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.

[8]Data Source: S&P Capital IQ PRO. Russell 3000 Growth and Russell 3000 Value indexes forward operating margins (calculated as index-weighted forward operating income divided by index-weighted forward revenue, using next 12-months (NTM) analyst estimates) from June 30, 2005 through September 30, 2022.

[9]Data Source: S&P Capital IQ PRO. S&P 500 CY2022 aggregate estimates bottom up. Mar-07-2022 through Oct-03-2022.

[10]Data Source: yahoo! Finance, Treasury Yield 10 Years (^TNX), December 31, 2021 and September 30, 2022. 11 October 2022.

[11]Russell 3000 Growth Index modified CAPE, December 31, 2021, and September 30, 2022.

[12]Source: Zweig, Jason. "When Bad Things Happen to Good Stocks." September 23, 2022. https://www.wsj.com/articles /quality-stock-fund-etf-performance-blue-chip-11663942704. 26 September 2022.

[13]Source: Grantham, Jeremy. "Entering The Superbubble's Final Act." August 31, 2022. https://www.gmo.com/americas/ research-library/ entering-the-superbubbles-final-act/.

[14]Actual portfolio holdings may vary for each client, and there is no guarantee that a particular client's account, SMA or advisory program will hold any, or all, of the securities identified. The securities identified and described herein do not represent all 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.

[15]Zweig, Jason. "Where You Can Find Stock-Market Bargains.) September 16, 2022. https://www.wsj.com/articles /international-stocks-investing-analysis-11663340128. 26, September 2022.

[16]American Depository Receipts (ADRs) were 14% of ACV and 16% of LCV representative portfolios on September 30, 2022 versus an 18 year-range of 2%–16% for ACV and 2%–17% for LCV representative portfolios.

[17]Data Source: S&P Capital IQ PRO as of September 30, 2022. Consensus of analyst forward earnings estimates net of cash per share (as of most recent available financial statement).

[18]Data Source: S&P Capital IQ PRO as of September 30, 2022. 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.

[19]Data Source: S&P Capital IQ[PRO] as of September 29, 2022. Consensus of analyst forward earnings estimates.

Equity Investment Corporation
All-Cap Value SMA Composite Report

	Gross* Rate of Return[1] (Supplemental)	Assumed 3% Annual Fee Net Rate of Return[1]	Benchmark Return of Russell 3000® Value Index
1 Year	-4.0%	-6.9%	-11.8%
5 Year (annualized)	8.6%	5.4%	5.1%
10 Year (annualized)	9.4%	6.2%	9.1%
Since Inception** (annualized)	11.4%	8.2%	9.9%

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. Net returns are calculated by reducing gross returns with an assumed maximum annual SMA fee of 3.0%, applied monthly.
**Inception Date: January 1, 1986

Disclosures:
Equity Investment Corporation (EIC) is an SEC-registered, independent investment adviser incorporated in the state of Georgia. EIC has been providing investment advisory services to clients since 1986.

From January 1, 1986, through December 31, 1999, Jim Barksdale was primarily responsible for creating and achieving the performance results. Over that time period, the All-Cap Value SMA composite gained 14.4% (annualized) (11.1% net of an assumed maximum annual 3% fee), while the Russell 3000® Value Index rose 15.6% (annualized).

Andrew Bruner joined as the second member of EIC's investment team in December 1999. From that point through the present day, portfolios have been managed using a team-based approach. Terry Irrgang became the third member of our investment team in April of 2003. Ian Zabor became the fourth member of our team, joining EIC in July of 2005. From January 1, 2000 through September 30, 2022, our investment team was responsible for the All-Cap Value SMA composite increasing by 9.6% (annualized) (6.4% net of an assumed maximum annual 3% fee); the Russell 3000 Value Index gained 6.6% (annualized).

Effective September 30, 2016, we implemented a succession plan to ensure the continuity and stability of our firm. In a transaction that closed on that date, a new investment adviser entity formed by Messrs. Bruner, Irrgang, and Zabor purchased substantially all of the assets and assumed all of the liabilities necessary for EIC's continuous operation from Mr. Barksdale. That new registrant succeeded to all of EIC's business. As planned, Mr. Barksdale's tenure at EIC ended in August of 2019 when his transitional employment agreement expired. From the date of the succession through September 30, 2022, our investment team was responsible for the All-Cap Value SMA composite advancing by 9.2% (annualized) (6.0% net of an assumed maximum annual 3% fee), versus an 6.8% (annualized) increase for the Russell 3000 Value Index.

During all times after 1999, our investment team has been responsible for achieving the performance results shown in the tables.

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, and the inception date is January 1, 1986. All accounts included in the composite are managed according to similar investment guidelines. The benchmark index is the Russell 3000 Value Index (which excludes an advisory fee), and was chosen because it is representative of the composite's investment style. 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.

Equity Investment Corporation
All-Cap Value SMA Composite Report

Year Ended Dec - 31	Gross* Rate of Return[1] (Supplemental)	Assumed 3% Annual Fee 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)	Advisory-Only (UMA) and Managed Assets		
									UMA Assets[4] ($ Millions) (Supplemental)	GIPS® Firm Assets ($ Millions)	Total Assets[4] ($ Millions) (Supplemental)
2022 (through 9/30)	-10.5%	-12.5%	-18.0%	18.3%	20.5%	0.5%	1756	$886.1	$2,042.3	$1,940.1	$3,982.4
2021	31.0%	27.2%	25.4%	17.1%	19.3%	0.8%	1565	$937.9	$2,108.2	$2,027.4	$4,135.6
2020	5.0%	1.9%	2.9%	17.3%	20.0%	1.0%	1574	$784.3	$1,694.6	$1,607.6	$3,302.2
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

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 assumed maximum 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) and is calculated using gross returns. "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.

Disclosures *(cont.)*:
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 investments, calculating performance and preparing GIPS Composite Reports 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 March 31, 2022. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to the composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. 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. The firm's list of broad distribution pooled funds is available upon request. 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 provided by a program sponsor. The assumed maximum fees for SMA accounts (charged quarterly) are 0.75%. Total fees charged may equal 3% per year (which is assumed to be equal to or higher than the highest actual SMA fee charged by a program sponsor). 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 via S&P Capital IQ^{PRO}.

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Equity Investment Corporation
Large-Cap Value SMA Composite Report

	Gross* Rate of Return[1] (Supplemental)	Assumed 3% Annual Fee Net Rate of Return[1]	Benchmark Return of Russell 1000® Value Index
1 Year	-2.9%	-5.8%	-11.4%
5 Year (annualized)	8.7%	5.5%	5.3%
10 Year (annualized)	9.4%	6.2%	9.2%
Since Inception** (annualized)	8.8%	5.6%	6.4%

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. Net returns are calculated by reducing gross returns by an assumed maximum annual SMA fee of 3.0% (0.75%/quarter during 2001 and 0.25%/month thereafter).
**Inception Date: January 1, 2001

Disclosures:
Equity Investment Corporation (EIC) is an SEC-registered, independent investment adviser incorporated in the state of Georgia. EIC has been providing investment advisory services to clients since 1986.

From January 1, 1986, through December 31, 1999, Jim Barksdale was primarily responsible for creating and achieving the performance results. Andrew Bruner joined as the second member of EIC's investment team in December 1999. From that point through the present day, portfolios have been managed using a team-based approach. Terry Irrgang became the third member of our investment team in April of 2003. Ian Zabor became the fourth member of our team, joining EIC in July of 2005.

Effective September 30, 2016, we implemented a succession plan to ensure the continuity and stability of our firm. In a transaction that closed on that date, a new investment adviser entity formed by Messrs. Bruner, Irrgang, and Zabor purchased substantially all of the assets and assumed all of the liabilities necessary for EIC's continuous operation from Mr. Barksdale. That new registrant succeeded to all of EIC's business. As planned, Mr. Barksdale's tenure at EIC ended in August of 2019 when his transitional employment agreement expired.

Our investment team has been responsible for achieving the performance results shown in the tables.

Performance numbers are the value-weighted, time-weighted, total return composite results of fully discretionary Large-Cap Value equity 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 and inception date is January 1, 2001, and SMA accounts comprise 100% of the composite. The benchmark index is the Russell 1000® Value Index (which excludes an advisory fee), and was chosen because it is representative of the composite's investment style. 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.

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 investments, calculating performance and preparing GIPS Composite Reports are available upon request.

Equity Investment Corporation
Large-Cap Value SMA Composite Report

Year Ended Dec - 31	Gross* Rate of Return[1] (Supplemental)	Assumed 3% Annual Fee 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)	Advisory-Only (UMA) and Managed Assets		
									UMA Assets[4] ($ Millions) (Supplemental)	GIPS® Firm Assets ($ Millions)	Total[4] ($ Millions) (Supplemental)
2022 (through 9/30)	-9.5%	-11.5%	-17.8%	18.1%	20.2%	0.5%	630	$222.9	$2,042.3	$1,940.1	$3,982.4
2021	30.9%	27.1%	25.2%	17.1%	19.1%	0.8%	548	$235.1	$2,108.2	$2,027.4	$4,135.6
2020	4.3%	1.2%	2.8%	17.3%	19.6%	0.8%	590	$206.6	$1,694.6	$1,607.6	$3,302.2
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

Table Notes:

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[2] Dispersion is an asset-weighted standard deviation for the accounts in the composite the entire year (or year-to-date) and is calculated using gross returns. "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.

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

Disclosures *(cont.)*:

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 March 31, 2022. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to the composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Large-Cap Value SMA composite has had a performance examination for the periods January 1, 2001, through March 31, 2022. 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. The firm's list of broad distribution pooled funds is available upon request. 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.

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