EQUITY INVESTMENT CORPORATION

All-Cap Value & Large-Cap Value
2023 Second Quarter Commentary
July 2023

Stocks posted gains across the board in the second quarter. The table below shows our All-Cap Value (ACV) SMA and Large-Cap Value (LCV) SMA composite results for the second quarter and longer term. We marginally trailed the Russell 3000® Value Index (R3000V) and Russell 1000® Value Index (R1000V), our benchmark indexes, in the second quarter.

	For the periods ended June 30, 2023					
	Q2	**YTD**	**1 Year**	**5 Year**	**10 Year**	**SI***
EIC ACV SMA Gross	3.8%	3.5%	9.3%	10.7%	10.0%	11.7%
EIC ACV SMA Net	3.0%	2.0%	6.0%	7.4%	6.8%	8.4%
Russell 3000® Value Index	4.0%	5.0%	11.2%	7.8%	9.1%	10.2%
S&P 500® Index	8.7%	16.9%	19.6%	12.3%	12.9%	10.9%
EIC LCV SMA Gross	3.7%	4.1%	9.8%	10.9%	10.1%	9.3%
EIC LCV SMA Net	3.0%	2.6%	6.6%	7.6%	6.9%	6.1%
Russell 1000® Value Index	4.1%	5.1%	11.5%	8.1%	9.2%	7.0%
S&P 500® Index	8.7%	16.9%	19.6%	12.3%	12.9%	7.6%

*Table 1 Data Source: Morningstar Direct℠. 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.*

Market Environment — Extreme Concentration

So far, 2023 is the reverse of 2022, with growth handily outperforming value in the second quarter and year to date. What began the year as perhaps a typical bear market rally in growth stocks has found legs owing to several factors: value stocks (and financials in particular) coming under pressure as a result of the first quarter's bank deposit panic; a renewed boost to hyper-growth stories driven by optimism over artificial intelligence (AI); and a moderation in expectations for both inflation and earnings declines.

The following chart shows that growth stocks remain significantly overvalued relative to history — nearly the highest in over 30 years — yet continue to face notable fundamental headwinds. The inflation rate, though falling, remains well above the Federal Reserve's target of 2%. Consequently, the current federal funds rate target is 5–5.25%, with expectations for more rate hikes to come.[2] The ultimate effects of interest rates typically operate on a lag, so it's likely the market and economy have not fully accounted for today's rates, let alone higher levels.

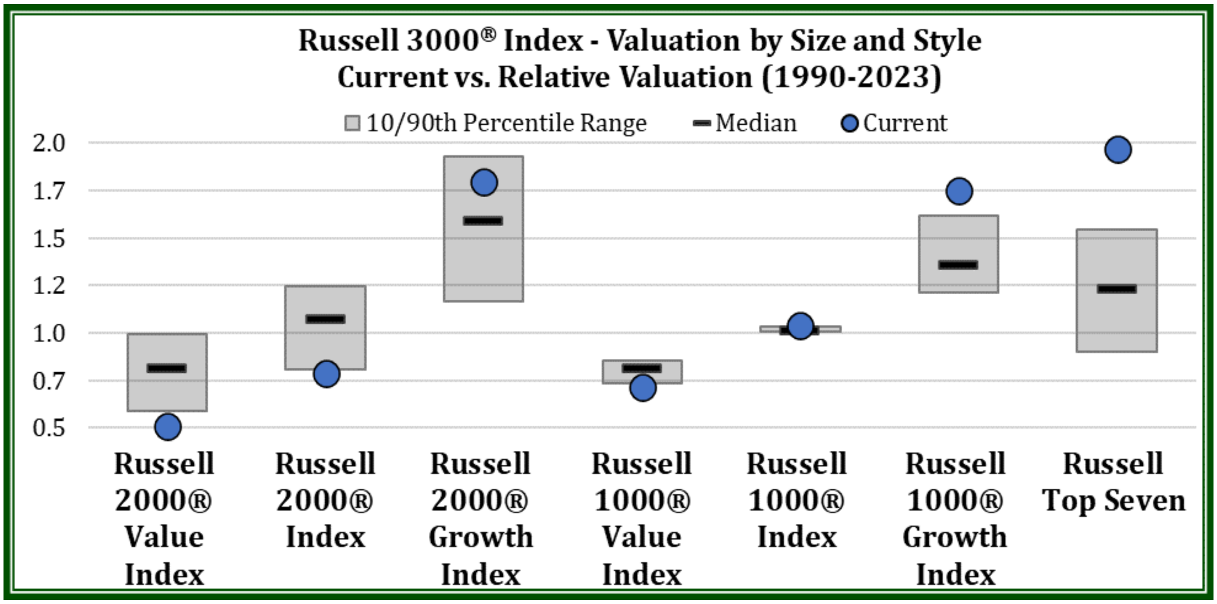

Chart 1 Data Source: S&P Capital IQ^PRO. See footnote 3.

Finally, near-term earnings growth is non-existent — analysts expect flat earnings for the full year 2023 from both the S&P 500® Index (S&P) and its technology sector.[4] Importantly, these expectations depend on a very strong back half to the year after declining in the first half. Our research shows analysts are typically overly optimistic about future earnings, even in normal times. This year, however, seems far from normal, with a deeply inverted yield curve, a shrinking money supply, and many pandemic-era stimulus programs expiring or winding down (e.g., student loan forbearance and additional SNAP benefits). While value stocks obviously have risks too, their pricing arguably reflects those risks. At current valuations, investors in growth stocks are overlooking significant headwinds and pricing in a Goldilocks scenario of future low interest rates, low inflation rates, earnings progress, and economic growth.

Notably, there is also a large-cap stock effect heavily boosting returns and valuations on the growth side. The current seven largest companies in the market — Apple, Microsoft, Alphabet, Amazon, NVIDIA, Tesla, and Meta Platforms — accounted for a significant share of market performance year to date. Looking at equal-weighted performance, the S&P was up 7% year to date as opposed to its capitalization-weighted return of 16.9%.[5]

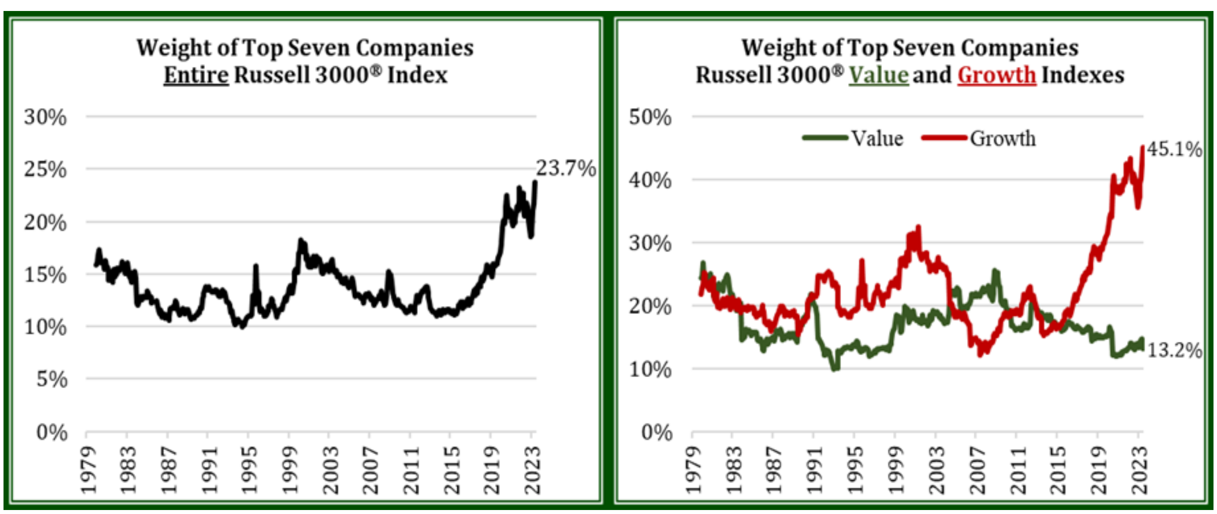

Chart 2 Data Source: S&P Capital IQ^PRO. See footnote 6.

As the previous chart shows, these seven companies now comprise nearly 24% of the Russell 3000® Index (R3000) yet account for less than 15% of the index's earnings.[7] Moreover, these seven now comprise more than 45% of the Russell 3000® Growth Index (R3000G), a record high. Remarkably, any newly registered mutual fund or ETF tracking the R3000G today may technically not meet the SEC's definition of "diversified".[8] Thus, both broad-market and growth indexes, have become increasingly concentrated, and a concentrated portfolio can pose elevated risk at odds with the seemingly diversified nature of an index.

After 2023's annual Russell index reconstitution, all of these top seven companies are now classified as pure growth and have no weighting in the value index, the first time this has occurred in 30 years.[9] For example, Meta Platforms (META) shares were moved entirely to the R3000G (100% of its weighting) from a roughly 80%/20% R3000V/R3000G split the previous year. According to analysts, calendar year 2023 EPS estimates were $13.88 a year ago, about 21% higher than today's calendar year 2023 $11.49 estimate.[10] Anticipated near-term earnings power declined significantly, yet the stock was shifted entirely into the growth index. As a result, a passive growth investor has added substantially to their position in META after the stock has more than doubled in price while earnings estimates declined. In contrast, we recently trimmed our position.

The last decade has been very good for these seven companies. They've generated strong revenue and earnings growth, benefitting from the rise and continued proliferation of cloud computing, smartphones, e-commerce, online advertising, electric vehicles, and AI. But the stocks have done even better than their fundamentals. Whereas this group traded at roughly 13x earnings a decade ago, it trades at over 33x forward earnings today.[11] As these companies grow, it becomes increasingly difficult to maintain growth in the face of competition and their sheer size. As seen in the next chart, over history, the R3000's top seven companies have underperformed the market by a considerable amount, with the most significant stretches of underperformance following periods of elevated relative valuation (e.g., the dot-com bubble).

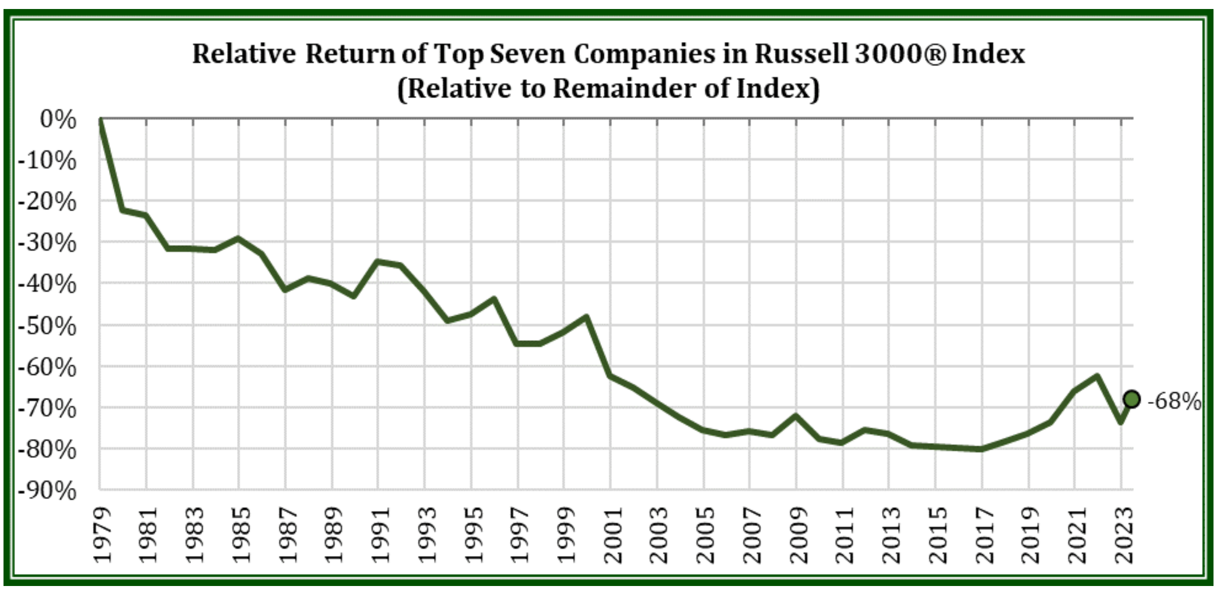

Chart 3 Data Source: S&P Capital IQ[PRO]. See footnote 12.

In conclusion, consistently investing in the top seven companies has historically produced poor relative returns. Further, the top seven companies are more expensive today relative to the rest of the market than they have been in 30+ years (see Chart 1). With the R3000 index reconstitution, the current top seven companies are now classified as pure growth and have no weight in the R3000V, thus increasing concentration and risk in the R3000G. So, while the past decade has been rosy for investors in the current group of top seven companies, history suggests it will be more difficult to replicate that past performance success in the future. For now, however, growth investors seem confident of a history-defying future and are betting accordingly.

Portfolio Review and Positioning[13]

During the quarter, we added slightly to our position in Barrick Gold (GOLD) and trimmed our holdings in AmerisourceBergen (ABC) and Ingredion (INGR) based on valuation, as well as META. Additionally, we bought two new positions, Expedia Group (EXPE) and PayPal Holdings (PYPL). We sold our Global Payments (GPN) holding in conjunction with the purchase of PYPL.

We acquired a 2% position in EXPE, the world's second-largest online travel agency (OTA) behind Booking Holdings (BKNG), which we owned from March 2019 to November 2020. EXPE owns several travel brands (e.g., Expedia, Vrbo, Hotels.com, Travelocity, Hotwire, trivago, and Orbitz) and generates approximately 75% of revenue from hotel bookings and 65% of revenue from the US market. The company has benefitted as travel planning has migrated online, but growth is decelerating as the industry matures. Additionally, EXPE has lost some OTA market share as it de-emphasizes its performance advertising strategy. The company's stock price suffered as a result, down more than 60% from its high in early 2022. We believe EXPE's market share losses will likely moderate in the coming months as it rolls out a loyalty program, combining its largest brands into a single offering. When we purchased EXPE in April of 2023, shares were trading at less than 15x our estimate of normalized earnings. On forward operating earnings, shares trade at roughly a 50% discount to their typical valuation level and the valuation of BKNG. Expedia Group is investment-grade rated (BBB) by S&P.[14]

We also purchased a 2% position in PYPL, a technology platform that enables digital payments on behalf of merchants and consumers worldwide, including key brands like PayPal, Venmo, Braintree, Xoom, and Zettle. The company processes $1.4 trillion in transaction volumes annually and generates most of its revenue from the small fee (~2% on average) it takes on those volumes. Competition from other digital wallets (e.g., Apple Pay) has created concerns about the company's future growth prospects and PYPL's share price has been under pressure, down approximately 80% from its high watermark in mid-2021 and down 40% from pre-pandemic levels at the time of our purchase. We now believe the company is attractively priced given its growth profile, trading at 19x our estimate of normalized earnings. PayPal Holdings maintains an investment grade rating (A-) from S&P and has net cash on its balance sheet.

Finally, in any portfolios with cash above 5%, we initiated a position in the iShares 0-3 Month Treasury Bond ETF (SGOV), a liquid, short-term bond ETF that delivers a higher yield to clients than most traditional money market sweep accounts. SGOV invests only in U.S. Treasury securities with remaining maturities of less than or equal to three months; thus, there's no credit risk and negligible exposure to rising interest rates. It also provides ample trading volume and liquidity. All in all, we view it as a safe and effective way to pick up additional yield in the current interest rate environment.

We continue to believe that growth stocks overall offer poor prospects. However, market volatility and dislocations have offered some opportunities in the growth area, as evidenced by our two recent purchases. Aside from idiosyncratic opportunities in growth, we continue to believe that value stocks are attractively priced and thus offer good prospects for earning reasonable returns, regardless of the market environment. Accordingly, we remain overweight in financials, where the worst of the deposit crisis appears to have passed, and higher interest rates should ultimately boost earnings, though current valuations do not require this to generate suitable returns. We also remain overweight in energy, where modest valuations, capital discipline, and shareholder-friendly management offer good return prospects, even at significantly lower-than-current oil prices.

Today our All-Cap and Large-Cap representative portfolios trade at a weighted average of 13x trailing earnings and 11x forward earnings expectations. The portfolios feature a weighted average return on equity of 19–19.5%, a long-term expected earnings growth rate of approximately 10%, a dividend yield of 3.2%, and around an A- credit rating.[15] Our portfolios are reasonably diversified across sectors and earnings drivers. At these valuations, we believe they have good odds of delivering acceptable returns regardless of the market's overall direction.

Our investment process is simple but not easy. Buying a diversified portfolio of quality companies at reasonable prices is relatively simple. But patiently waiting for them to bear fruit while ignoring the noise of fads, themes, momentum, and overvaluation isn't easy. Today's market offers a lot of noise, but, as ever, our focus remains on the simple task of investing in one reasonable opportunity at a time. As always, we are grateful for our partnership with you and stand ready to be of assistance.

<u>Investment Team</u>

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

Robert Ladyman, CFA Thomas Knapp, CFA

Disclosures

[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. Investing involves risk including possible loss of principal.

[2]Board of Governors of the Federal Reserve System. Federal Funds Target Range July 12, 2023 retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/DFEDTARL, https://fred.stlouisfed.org/series/DFEDTARU. 12 July 2023.

[3]Current Russell 1000 and 2000 Index and Top 7 valuations relative to the Russell 3000 Index by size and style (blue dots) compared to historical Russell 1000 and 2000 Index and Top 7 relative valuations by size and style (gray bars) based on constituent price to prior three-year peak earnings for month-end periods from January 31, 1990 to June 30, 2023. Top 7 defined by weight of each company in the Russell 3000 Index at each month end. Share classes are aggregated by company.

[4]Source: S&P Capital IQ[PRO]. Quarterly and annual consensus earnings estimates for 2023 and 2024 as of June 30, 2023 for the S&P 500 and the S&P 500 Information Technology sector. 12 July 2023.

[5]Source: S&P Capital IQ[PRO]. Performance of the S&P 500 Index and S&P 500 Equal Weight Index for year to date as of June 30, 2023.

[6](Left Chart) Weight of top 7 in the Russell 3000 Index for each month-end from December 31, 1979 to June 30, 2023. Top 7 defined by weight of each company in the index at each month end. Share classes are aggregated by company.

(Right Chart) Weight of top 7 in the Russell 3000 Value and Growth indexes for month-end periods from December 31, 1979 to June 30, 2023. Top 7 defined by weight of each company in each index at each month end. Share classes are aggregated by company.

[7]Source: S&P Capital IQ[PRO]. Index weighted forward earnings of top 7 in Russell 3000 Index at June 30, 2023 as a percentage of the total index weighted forward earnings of Russell 3000 Index at June 30, 2023. Top 7 defined by weight of each company in the Russell 3000 Index on June 30, 2023. Alphabet (GOOG) shares are aggregated.

[8]Source: Investment Company Act of 1940, Section 5(b)(1) and Section 5 (b)(2); retrieved from Government Publishing Office, U.S. Securities and Exchange Commission; https://www.govinfo.gov/content/pkg/COMPS-1879/ pdf/COMPS-1879.pdf, page 24. 13 July 2023.

[9]Source: S&P Capital IQ[PRO]. Percent of market capitalization weight of top 7 included in the Russell 3000 Growth Index for each month-end from December 31, 1979 to June 30, 2023. Top 7 defined by weight of each company in each index at each month end. Share classes are aggregated by company.

[10]Source: S&P Capital IQ[PRO]. Consensus estimates of 2023 earnings per share (EPS) at June 30, 2022 and June 30, 2023. 12 July 2023.

[11]Source: S&P Capital IQ[PRO]. Index weighted price of top 7 divided by index weighted forward 12-month EPS of top 7 at June 30, 2013 and June 30, 2023. Top 7 defined by weight of each company in the Russell 3000 Index on June 30, 2023. Alphabet (GOOG) shares are aggregated.

[12]Weight of top 7 in the Russell 3000 Index, and the index-weighted forward 12-month total return of the top 7 (forward 6-month return for 2023) at each year end December 31, 1978 to December 31, 2022 and June 30, 2023. Returns for remaining companies in the index are imputed. Top 7 defined by weight of each company in the Russell 3000 Index on January 1 of each year. Share classes are aggregated by company.

[13]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.

[14]Data Source: S&P Capital IQ[PRO] as of June 30, 2023. 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.

[15]Data Source: Morningstar Direct℠ as of June 30, 2023. Weighted average trailing twelve-month P/E Ratio, forward P/E Ratio, trailing twelve-month return on equity, and estimated 5-year long-term earnings growth for EIC ACV and LCV representative portfolios, as calculated by Morningstar. Dividend yield on June 30, 2023 from APL.

Data Source: S&P Capital IQ[PRO] Weighted average of credit rating of underlying securities within the representative ACV or LCV portfolio on June 30, 2023 and not the portfolio itself.

Equity Investment Corporation
All-Cap Value SMA Composite Report

As of 6/30/2023	1 Year	5 Year (annualized)	10 Year (annualized)	Since Inception** (annualized)
Gross Rate of Return[1] (Supplemental)	9.3%	10.7%	10.0%	11.7%
Assumed 3% Annual Fee Net Rate of Return[1]	6.0%	7.4%	6.8%	8.4%
Benchmark Return of Russell 3000® Value Index	11.2%	7.8%	9.1%	10.2%

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. 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 June 30, 2023, our investment team was responsible for the All-Cap Value SMA composite increasing by 10.0% (annualized) (6.8% net of an assumed maximum annual 3% fee); the Russell 3000 Value Index gained 7.1% (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 June 30, 2023, our investment team was responsible for the All-Cap Value SMA composite advancing by 10.8% (annualized) (7.5% net of an assumed maximum annual 3% fee), versus an 8.6% (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)
2023 (through 6/30)	3.5%	2.0%	5.0%	16.5%	17.4%	0.4%	2192	$1,147.8	$2,519.3	$2,416.8	$4,936.1
2022	1.6%	-1.4%	-8.0%	19.3%	21.5%	0.6%	1841	$1,021.8	$2,392.5	$2,267.8	$4,660.4
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. 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, 2023. 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^.

Equity Investment Corporation
Large-Cap Value SMA Composite Report

As of 6/30/2023	1 Year	5 Year (annualized)	10 Year (annualized)	Since Inception** (annualized)
Gross Rate of Return[1] (Supplemental)	9.8%	10.9%	10.1%	9.3%
Assumed 3% Annual Fee Net Rate of Return[1]	6.6%	7.6%	6.9%	6.1%
Benchmark Return of Russell 1000® Value Index	11.5%	8.1%	9.2%	7.0%

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)	Advisory-Only (UMA) and Managed Assets: GIPS® Firm Assets ($ Millions)	Advisory-Only (UMA) and Managed Assets: Total[4] ($ Millions) (Supplemental)
2023 (through 6/30)	4.1%	2.6%	5.1%	15.9%	17.2%	0.5%	875	$321.3	$2,519.3	$2,416.8	$4,936.1
2022	2.6%	-0.4%	-7.5%	19.0%	21.3%	0.6%	689	$258.5	$2,392.5	$2,267.8	$4,660.4
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:
[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).
[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.

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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, 2023. 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, 2023. 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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