

EQUITY INVESTMENT CORPORATION

All-Cap Value & Large-Cap Value

2025 Third Quarter Commentary

October 2025

Stocks continued to climb in the third quarter. Our All-Cap Value (ACV) and Large-Cap Value (LCV) SMA composites posted solid gains but trailed their benchmarks, the Russell 3000® Value (R3000V) and Russell 1000® Value (R1000V) Indexes, respectively. Our shortfall was attributable primarily to the combination of our stock selection and overweight in the consumer staples sector and our stock selection in the communication services sector. Year to date, our ACV and LCV SMA composites have outperformed their benchmarks but trail the more growth-oriented S&P 500® Index. Our outperformance versus the Russell Indexes was due in large part to our stock selection in the health care, materials, and real estate sectors.¹

For the periods ended September 30, 2025						
	Q3	YTD	1 Year	5 Year	10 Year	SI*
EIC ACV SMA Gross	3.7%	14.1%	12.8%	17.6%	12.2%	11.9%
EIC ACV SMA Net	3.0%	11.6%	9.5%	14.1%	9.0%	8.7%
Russell 3000® Value Index	5.6%	11.5%	9.3%	13.9%	10.6%	10.4%
S&P 500® Index	8.1%	14.8%	17.6%	16.5%	15.3%	11.5%
EIC LCV SMA Gross	3.3%	12.7%	10.9%	17.4%	12.1%	9.9%
EIC LCV SMA Net	2.5%	10.2%	7.7%	14.0%	8.8%	6.6%
Russell 1000® Value Index	5.3%	11.7%	9.4%	13.9%	10.7%	7.6%
S&P 500® Index	8.1%	14.8%	17.6%	16.5%	15.3%	8.8%

Table 1 Data Source: Morningstar DirectSM. *Since Inception (SI): January 1, 1986, for ACV and January 1, 2001, for LCV. Returns for periods greater than one year are annualized. Past performance does not guarantee future results. See footnote 2.

Investment Environment

Following its Q1 sell-off, the stock market has rebounded sharply and remains in extreme risk-on mode despite continued uncertainty regarding the ultimate impact of tariffs, elevated inflation, and a slowing and unbalanced economy. Unprofitable technology companies are outperforming profitable ones by a considerable margin, but index performance has been driven most notably by large-cap growth.³ The Russell Top 200® Growth Index posted its fifth largest advance over any two-quarter period dating back to 1986, fueled by increasing investor optimism about Artificial Intelligence (AI). This exuberance is particularly well illustrated by Dario Amodei, CEO of Anthropic, who recently suggested that AI could eventually cure cancer, double the average person's lifespan to 150 years, and end poverty.⁴

Such lofty goals don't come cheap. So naturally, industry spending projections astound in both size and scope. Morgan Stanley estimates that, through 2028, global spending on data centers to fuel AI computing growth will be roughly \$3 trillion.⁵ To power these new data centers, the U.S. alone will need to source an additional 45 gigawatts of power, roughly equivalent to 10% of existing U.S. generation capacity or the output of 23 Hoover Dams. For comparison, the United States' existing installed base of data centers, built over decades to facilitate the rise of internet traffic and cloud computing, requires just 25 gigawatts of

power.⁶ For now, the future is seemingly limitless, and growth investors are acting accordingly. As seen in the following chart, this optimism has propelled growth-stock valuations to all-time highs.

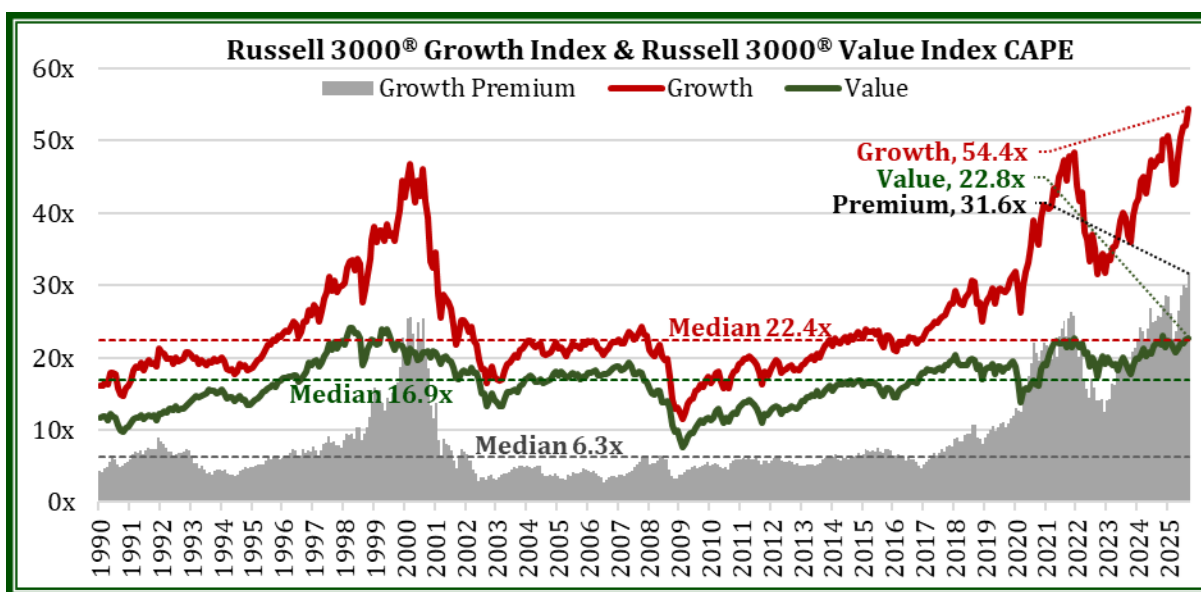


Chart 1 Data Source: S&P Capital IQ^{PRO}. See footnote 7. Charts are provided for illustrative purposes only.

The here and now, however, tells a different, more muted story. While the “pick and shovel” makers, most notably chipmaker Nvidia, are recording unprecedented profits in the face of large current and future buildout spending, end customer demand remains modest. Recent surveys from McKinsey and MIT report that most customers find little bottom-line impact from AI implementations.⁸ A Stanford survey reported 40% of employees have recently received low-quality AI “workslop” from peers.⁹ Further, reports suggest that the pace of adoption is slowing, most notably and worryingly at large companies.¹⁰ At the same time, AI firms are facing immense pressure to grow annual revenues, which currently sit in the \$40–\$50 billion range. Bain expects the industry will fall well short of the estimated \$2 trillion in annual revenues, or more than \$3,000 for every U.S. worker, required by 2030 to justify these considerable expenditures.¹¹

The funding outlook for the AI buildout is equally uncertain. To date, spending has been paid for by either capital raises (in the case of standalone AI companies like OpenAI) or cash flows from non-AI businesses (in the case of Microsoft, Amazon, Meta, and Alphabet). Going forward, however, Morgan Stanley estimates that at least half of the \$3 trillion in forecasted spending will be funded by outside capital, a notoriously fickle form of financing.¹² Firms’ pursuit of funding has given rise to several large, convoluted deals between AI players where future spending commitments for products or services are exchanged, occasionally with a reciprocal investment component.¹³ Critics contend that some of these arrangements are a new flavor of circular “round trip” deals that rose to prominence in the dot-com era, where spending is merely traded for the appearance of growth on both sides.¹⁴ We would note that large companies have already succeeded in muting the impact of elevated AI spending on earnings through aggressive accounting practices.¹⁵ Time will tell whether these arrangements are strategically shrewd deals or something else. At best, we think they represent the realities of an industry facing massive spending requirements with insufficient end revenues generated to date.

Many AI insiders have suggested a capital spending bubble is forming, with losers and large losses to follow. OpenAI’s Sam Altman, Meta’s Mark Zuckerberg, and Amazon’s Jeff Bezos have said as much in recent commentaries.¹⁶ Moreover, corporate insiders continue to vote with their wallets, with billion-dollar insider sales occurring at Nvidia, OpenAI, and CoreWeave.¹⁷

Current enthusiasm for AI reminds us of one of Benjamin Graham's core principles: "The intelligent investor is a realist who sells to optimists and buys from pessimists."¹⁸ It is entirely possible that AI demand eventually justifies the considerable optimism. Our focus, however, is on building portfolios with high odds of earning good returns regardless of the uncertain future. In and of themselves, record growth-stock valuations suggest poor return prospects. Throw in the thematic zeal of AI coupled with mounting anecdotes around customer adoption, aggressive accounting, opaque dealmaking, and insider selling, and there is little to like in technology and, more broadly, the growth universe at current prices. Accordingly, we continue to heavily favor value stocks.

Portfolio Review¹⁹

We purchased three new stocks during the quarter: The Hershey Company (HSY), Healthpeak Properties (DOC), and Diageo plc (DEO).

We acquired a 2% position in Hershey, the largest producer of chocolate in North America, with iconic brands such as Hershey's, Reese's, Kit Kat, and Cadbury. The company has a long history of attractive fundamental performance, supported by volume growth, price increases to cover raw materials inflation, and margin expansion. Results are currently under pressure from high cocoa prices, which have surged due to a combination of drought and plant disease in the primary growing regions of western Africa. While these elevated prices will impact earnings over the medium term, cocoa prices have historically normalized after past spikes once new cocoa plants mature and global supply and demand respond to higher prices. Hershey currently trades at approximately 19x our estimate of normalized earnings with a 2.9% dividend yield. The company carries an A credit rating from S&P and has a \$38 billion market capitalization.²⁰

We purchased a 2% stake in Healthpeak Properties, a health care REIT. Healthpeak boasts the largest portfolio of medical office buildings and the third-largest life science research and development footprint in the United States. The medical office segment, which generates 55% of operating income, has shown long-term stability with consistent demand supported by demographic tailwinds and modest new development. In contrast, the life science segment is more volatile. After a post-COVID boom led to nearly 99% occupancy and significant rent increases, this segment is facing higher vacancy rates and moderating growth in operating income as the industry absorbs newly constructed lab space. As a result, AFFO growth has flatlined after years of mid- to high-single-digit progress. Shares, which have fallen by 50% since 2021, currently trade at 12x AFFO and offer a well-covered 6.4% dividend yield. The company carries a BBB+ credit rating from S&P and has a \$13 billion market capitalization.

We also acquired a 2% position in the American Depositary Receipts of Diageo.²¹ Diageo is the world's largest producer of international spirits and holds leading market share in Scotch, tequila, and gin. Its portfolio of brands includes Johnnie Walker, Guinness, Don Julio, Smirnoff, and Tanqueray. Revenues have grown organically at an attractive 5% per annum pace over the past decade. Recent results have been weak, however, with slowing organic growth on post-pandemic demand normalization and historically depressed operating margins due to higher marketing expenses and volume deleverage. Shares have fallen by more than 50% from their highs of early 2022. As a result, Diageo's valuation appears attractive on both forward earnings estimates and our view of normalized earnings. The company has a \$53 billion market capitalization, offers a 4.3% dividend yield, and carries an A- credit rating from S&P.

We completed a number of additional trades in the quarter based on valuation, adding to Baxter and UPS and trimming from AT&T, Globe Life, Jones Lang LaSalle, Travelers, and W.P. Carey.²² We also sold our position in American Express, which we had held since 2008.

Finally, a note on Kenvue, one of our holdings in the consumer staples sector. Shares declined nearly 22% in the quarter on disappointing Q2 results and unfavorable federal government guidance linking the use of Tylenol by pregnant women to autism. Kenvue stands behind the safety of Tylenol, which accounts for an estimated high-single-digit percentage of company revenues, and several healthcare organizations, including The American College of Obstetricians & Gynecologists, The American Academy of Pediatrics, and the UK Medicines and Healthcare products Regulatory Agency, have stated their strong support for its continued use.²³ Moreover, a federal judge in ongoing litigation forcefully rejected claims linking Tylenol to autism.²⁴ Overall, we think the odds are low that Kenvue suffers damages commensurate with the magnitude of the recent share price decline. Accordingly, we added modestly to our position in October.

At quarter end, our most significant underweight remains information technology, where we had no exposure for the third quarter in a row. The last time we did not own any information technology was back in 1997. Simply, the tech stocks we would like to own are too expensive, and those we can justify on valuation are low-quality and thus of little interest to us. We have smaller underweights, in descending order, in industrials, consumer discretionary, utilities, and communication services.

In contrast, our largest overweight is in consumer staples, where we are increasingly finding high-quality companies with long-term records of growth that have suffered fundamental disappointments and dramatic valuation adjustments, with Diageo the most recent example. We have additional sector overweights, in descending order, in health care, real estate, financials, energy, and materials.²⁵ We continue to find value in large-cap ADRs, high-quality global businesses with foreign headquarters that often trade at meaningful discounts to U.S.-domiciled peers.

As shown below, our ACV portfolio trades at a significant discount to the R3000V, owing in part to the large valuation dispersion within the index. Our LCV portfolio trades at a similar discount to the R1000V.

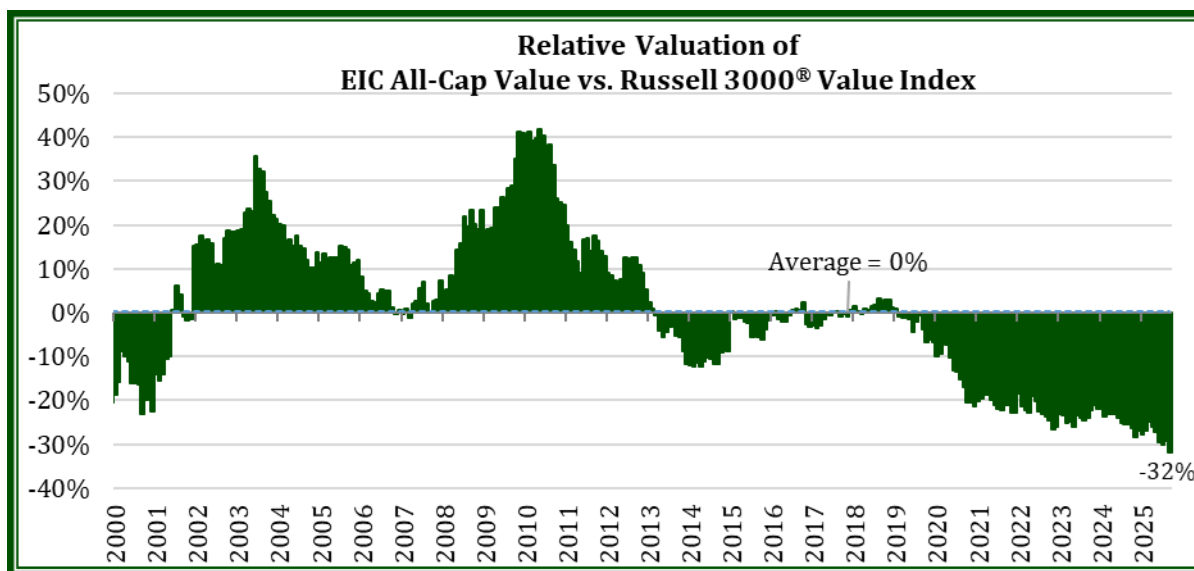


Chart 2 Data Source: S&P Capital IQ^{PRO}. See footnote 26. Charts are provided for illustrative purposes only.

At quarter end, our representative portfolios traded at a weighted average valuation of 16.3–16.5x trailing and 12x forward earnings, with a weighted average return on equity of 15%, long-term expected earnings growth of 7%, a dividend yield of 3.4%, and a weighted average credit rating of A-.²⁷ In a world of excessive optimism, corresponding excessive valuations and their attendant risks, we believe our portfolios are appropriately diversified and priced to deliver reasonable returns across a range of economic outcomes. Please tune in to our upcoming quarterly investment presentation for more details.

As always, we thank you for your time and your partnership.

Investment Team

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

Robert Ladyman, CFA Thomas Knapp, CFA

Disclosures

¹ Data Source: Morningstar DirectSM. Performance attribution for EIC ACV and LCV representative portfolios versus Russell 3000 Value Index and Russell 1000 Value Index, respectively, for the three months and nine months ended September 30, 2025. Individual portfolio sector weights may vary from that of the representative portfolios.

Sectors are determined using the Global Industry Classification Standard ("GICS"). GICS[®] was developed by, and is the exclusive property of, Standard & Poor's Financial Services LLC ("S&P") and MSCI Inc. ("MSCI"). 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.

² 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.

³ Vlastelica, Ryan. "Frothy and Risky' Rally in Profitless Tech Grows as Fed Eases." Bloomberg. September 24, 2025. <https://www.bloomberg.com/news/articles/2025-09-24/frothy-and-risky-rally-in-profitless-tech-grows-as-fed-eases>.

⁴ Amodei, Dario. "Machines of Loving Grace." October 11, 2024. <https://www.darioamodei.com/essay/machines-of-loving-grace>.

⁵ Elder, Bryce. "What'll happen if we spend nearly \$3tn on data centres no one needs?" Financial Times. July 30, 2025. <https://www.ft.com/content/7052c560-4f31-4f45-bed0-cbc84453b3ce>.

⁶ Kok, Erikhans, and Rauer, Johan, and Sachdeva, Pankaj, and Pikul, Piotr, and Sutton, Dave, and Hasrouni, Rawad. "Scaling bigger, faster, cheaper data centers with smarter designs." McKinsey & Company. August 1, 2025. <https://www.mckinsey.com/industries/private-capital/our-insights/scaling-bigger-faster-cheaper-data-centers-with-smarter-designs>.

⁷ Russell 3000 Growth Index modified CAPE (red line), Russell 3000 Value Index modified CAPE (green line), Russell 3000 Growth Index modified CAPE arithmetic premium over Russell 3000 Value Index modified CAPE (gray area) at each month-end January 31, 1990 to September 30, 2025. Modified CAPE (Cyclically Adjusted Price-to-Earnings) is the ratio of index prices to trailing 10-year index-level earnings before taxes (EBT) calculated 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 Brown, Eliot and Olson, Bradley. "OpenAI's Funding Challenges Loom Over Oracle, Broadcom Deal Spree." The Wall Street Journal. September 11, 2025. <https://www.wsj.com/tech/ai/openais-funding-challenges-loom-over-oracle-broadcom-deal-spree>.

⁹ McCurdy, Will. "AI 'Workshop' Is Plaguing American Companies, Says Stanford Research." PCMag. September 28, 2025. <https://www.pcmag.com/news/ai-workshop-is-plaguing-american-companies-says-stanford-research>.

¹⁰ Holmes, Aaron. "Census Bureau Says Corporate AI Adoption is Slowing." The Information. September 9, 2025. <https://www.theinformation.com/articles/census-bureau-says-corporate-ai-adoption-slowing>.

¹¹ Rai, Saritha. "An \$800 Billion Revenue Shortfall Threatens AI Future, Bain Says." Bloomberg. September 22, 2025. <https://www.bloomberg.com/news/articles/2025-09-23/an-800-billion-revenue-shortfall-threatens-ai-future-bain-says>.

¹² Kinder, Tabby. "'Absolutely Immense': the companies on the hook for the \$3tn AI building boom." Financial Times. August 14, 2025. <https://www.ft.com/content/efe1e350-62c6-4aa0-a833-f6da01265473>.

¹³ Capoot, Ashley. "A look at OpenAI's tangled web of dealmaking." CNBC. September 28, 2025. <https://www.cnn.com/2025/09/28/a-look-at-openais-tangled-web-of-dealmaking.html>.

¹⁴ McLean, Bethany. "AI will trigger financial calamity. It'll also remake world." The Washington Post. October 3, 2025. <https://www.washingtonpost.com/business/2025/10/03/ai-will-trigger-financial-calamity-itll-also-remake-world/>.

¹⁵ "The \$4trn accounting puzzle at the heart of the AI cloud." The Economist. September 18, 2025. <https://www.economist.com/business/2025/09/18/the-4trn-accounting-puzzle-at-the-heart-of-the-ai-cloud>.

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¹⁷ Sigalos, MacKenzie. "OpenAI wraps \$6.6 billion share sale at \$500 billion valuation." CNBC. October 2, 2025. <https://www.cnn.com/2025/10/02/openai-share-sale-500-billion-valuation.html>.

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¹⁸ Zweig, Jason (2003). "A Note About Benjamin Graham." The Intelligent Investor, p. xiii. HarperBusiness Essentials.

¹⁹ References to specific securities and their issuers are for illustrative purposes only and are not intended to be, and should not be interpreted as, recommendations to purchase or sell such securities. Any specific securities described herein do not represent all securities purchased, sold, or recommended for advisory clients. Actual portfolio holdings 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. It should not be assumed that any of the securities or recommendations made will be profitable or will equal the performance of the listed securities.

²⁰ Data Source: S&P Capital IQ^{PRO}. S&P credit-quality ratings on September 30, 2025. 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.

²¹ We acquired a 2.5% position in LCV portfolios

²² W.P. Carey trade occurred in ACV portfolios only.

²³ Gale, Jason. "Scientists Rebuke Trump's Tylenol-Autism Claim, Stress Fever Is Bigger Danger in Pregnancy." Bloomberg. September 22, 2025. <https://www.bloomberg.com/news/articles/2025-09-23/is-tylenol-safe-in-pregnancy-doctors-reject-trump-s-autism-claim>.

²⁴ "Trump, Tylenol and the Plaintiffs Bar." The Wall Street Journal. September 23, 2025. <https://www.wsj.com/opinion/tylenol-acetaminophen-autism-donald-trump-rfk-jr-fda-pregnant-women>.

²⁵ Data Source: Morningstar DirectSM. GICS sector weights for EIC ACV and LCV representative portfolios versus Russell 3000 Value Index and Russell 1000 Value Index, respectively, for the month ended September 30, 2025. EIC LCV representative portfolio has no exposure to the utilities sector. Individual portfolio sector weights may vary from that of the representative portfolios.

²⁶ Weighted average P/E based on price to prior three-year peak forward earnings for each constituent of the representative portfolio and the index at each month-end December 31, 1999, through September 30, 2025. Valuation for EIC portfolios excludes cash and other short-term vehicles. Actual portfolio holdings may vary for each client. New client portfolios may differ from the representative portfolio based on market conditions at the time of account opening.

²⁷ Data Source: Morningstar DirectSM as of September 30, 2025. Weighted average trailing twelve-month P/E ratio, forward P/E ratio, return on equity, and five-year estimated earnings growth for EIC ACV and LCV representative portfolios, as calculated by Morningstar. Data Source: APL Systems as of September 30, 2025. Dividend yield for EIC ACV and LCV representative portfolios are shown on a gross basis.

Data Source: S&P Capital IQ^{PRO}. Weighted average of S&P credit-quality ratings on underlying securities held in the representative EIC ACV and LCV portfolios on September 30, 2025, and not the portfolios themselves.

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Equity Investment Corporation

All-Cap Value SMA Composite Report

<u>As of 9/30/2025</u>	1 Year	5 Year (annualized)	10 Year (annualized)	Since Inception** (annualized)
Gross Rate of Return ¹ (Supplemental)	12.8%	17.6%	12.2%	11.9%
Assumed 3% Annual Fee Net Rate of Return ¹	9.5%	14.1%	9.0%	8.7%
Benchmark Return of Russell 3000® Value Index	9.3%	13.9%	10.6%	10.4%

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 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, 2025, our investment team was responsible for the All-Cap Value SMA composite increasing by 10.6% (annualized) (7.3% net of an assumed maximum annual 3% fee); the Russell 3000 Value Index gained 7.7% (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, 2025, our investment team was responsible for the All-Cap Value SMA composite advancing by 12.2% (annualized) (8.9% net of an assumed maximum annual 3% fee), versus an 10.0% (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

										Advisory-Only (UMA) and Managed Assets	
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)	UMA Assets ⁴ (\$ Millions) (Supplemental)	GIPS® Firm Assets (\$ Millions)	Total Assets ⁴ (\$ Millions) (Supplemental)
2025 (through 9/30)	14.1%	11.6%	11.5%	13.2%	14.3%	0.4%	2760	\$1,605.5	\$4,204.5	\$3,436.1	\$7,640.6
2024	13.0%	9.7%	14.0%	15.4%	16.9%	0.7%	2544	\$1,429.3	\$3,441.9	\$3,051.2	\$6,493.1
2023	13.4%	10.1%	11.7%	15.9%	16.7%	0.8%	2243	\$1,231.0	\$2,818.0	\$2,654.3	\$5,472.3
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.

Equity Investment Corporation

All-Cap Value SMA Composite Report

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 June 30, 2025. 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).

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Equity Investment Corporation

Large-Cap Value SMA Composite Report

<u>As of 9/30/2025</u>	1 Year	5 Year (annualized)	10 Year (annualized)	Since Inception** (annualized)
Gross Rate of Return ¹ (Supplemental)	10.9%	17.4%	12.1%	9.9%
Assumed 3% Annual Fee Net Rate of Return ¹	7.7%	14.0%	8.8%	6.6%
Benchmark Return of Russell 1000® Value Index	9.4%	13.9%	10.7%	7.6%

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 93% 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)
2025 (through 9/30)	12.7%	10.2%	11.7%	12.7%	14.1%	0.4%	997	\$466.6	\$4,204.5	\$3,436.1	\$7,640.6
2024	13.1%	9.8%	14.4%	14.8%	16.7%	0.4%	1185	\$490.3	\$3,441.9	\$3,051.2	\$6,493.1
2023	13.8%	10.4%	11.5%	15.4%	16.5%	0.7%	938	\$365.5	\$2,818.0	\$2,654.3	\$5,472.3
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%	22.2%	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.

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.

Equity Investment Corporation

Large-Cap Value SMA Composite Report

Disclosures (cont.):

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