

# EQUITY INVESTMENT CORPORATION

## All-Cap Value & Large-Cap Value

### 2026 First Quarter Commentary

April 2026

Stocks posted mixed results for the quarter. Our primary benchmarks, the Russell 3000® Value (R3000V) and Russell 1000® Value (R1000V) Indexes, gained 2.2% and 2.1%, respectively. However, the more growth-oriented S&P 500® Index declined 4.3%, and the Russell 3000® Growth Index fell 9.5%.

Our All-Cap Value (ACV) and Large-Cap Value (LCV) SMA composites increased by 3.1% and 2.5%, respectively, on a gross basis. Our outperformance relative to our benchmarks was attributable primarily to stock selection in the communication services and financial sectors and an overweight position in the consumer staples sector.<sup>1</sup> Longer term, both strategies remain ahead of their Russell benchmarks on a gross basis, as shown below.

For the periods ended March 31, 2026					
	Q1	1 Year	5 Year	10 Year	SI*
<b>EIC ACV SMA Gross</b>	3.1%	12.3%	12.1%	12.2%	11.9%
<b>EIC ACV SMA Net</b>	2.3%	9.0%	8.8%	8.9%	8.6%
<b>Russell 3000® Value Index</b>	2.2%	16.4%	9.2%	10.5%	10.4%
<b>S&amp;P 500® Index</b>	-4.3%	17.8%	12.1%	14.2%	11.3%
<b>EIC LCV SMA Gross</b>	2.5%	11.0%	12.1%	12.1%	9.9%
<b>EIC LCV SMA Net</b>	1.7%	7.7%	8.8%	8.8%	6.7%
<b>Russell 1000® Value Index</b>	2.1%	15.9%	9.4%	10.6%	7.7%
<b>S&amp;P 500® Index</b>	-4.3%	17.8%	12.1%	14.2%	8.5%

Table 1 Data Source: Morningstar Direct<sup>SM</sup>. \*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**

Despite weakness in the first quarter, growth stocks remain richly priced by historical standards, as shown in the chart on the next page. At current levels, they are priced to deliver anemic returns over the long term. Value stocks aren't cheap either but are priced to deliver reasonable returns. Moreover, elevated valuation divergence within the value stock universe presents pockets of attractive investment opportunities. Accordingly, our portfolios continue to tilt heavily towards value stocks.

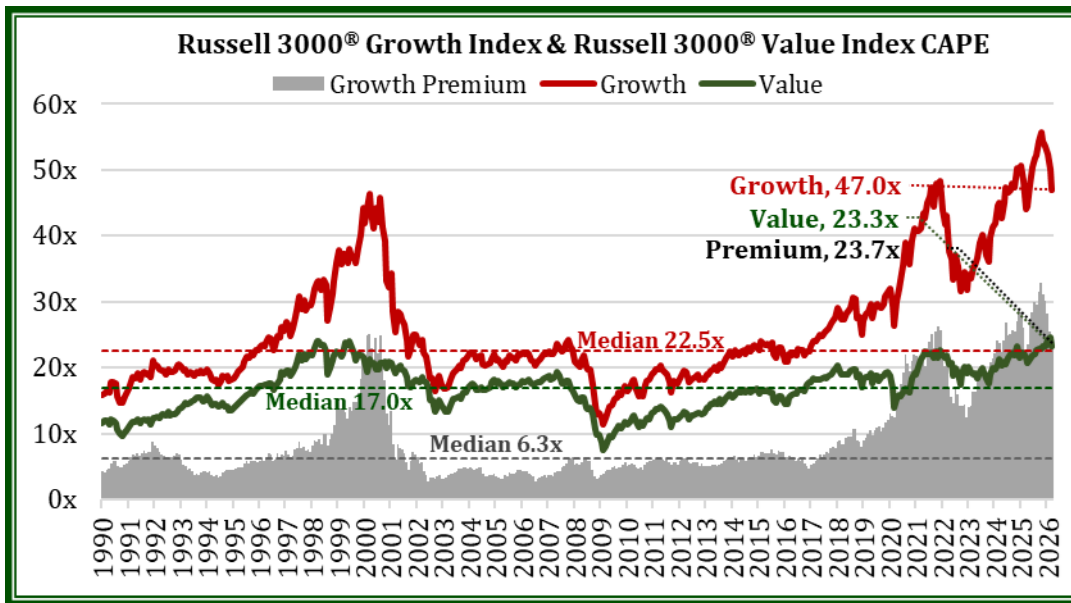


Chart 1 Data Source: S&P Capital IQ<sup>PRO</sup>. See footnote 3. Charts are provided for illustrative purposes only.

Aside from investor fears about the war with Iran, where we have no practical opinion on the ultimate resolution, we note that artificial intelligence (AI) continues to drive market sentiment. This quarter, however, the tone was negative, as opposed to the near relentless optimism ascribed to AI-related investments over the final eight months of 2025. Individual stocks and, indeed, entire industries sold off sharply as new or even hypothetical AI-related offerings gave rise to fears of increasing competition. This was perhaps most pronounced in the software industry, where stocks fared poorly during the quarter, with the iShares Expanded Tech-Software Sector ETF plunging 24%.<sup>4</sup> As a result, valuations for software stocks have declined significantly, as shown in the chart below.

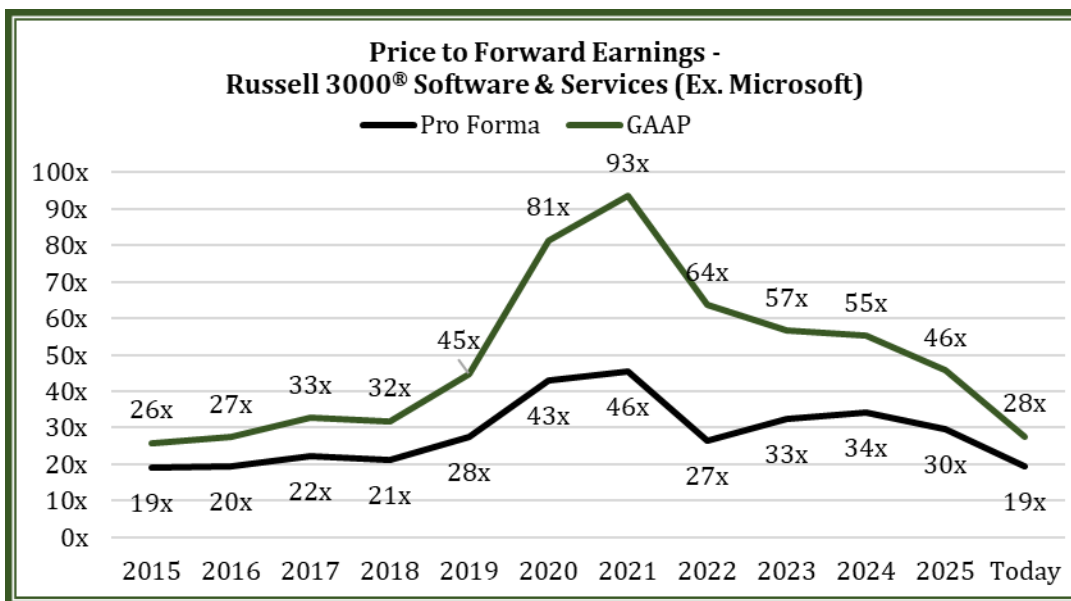


Chart 2 Data Source: S&P Capital IQ<sup>PRO</sup>. See footnote 5. Charts are provided for illustrative purposes only.

Software stocks are currently trading at 19x forward pro forma earnings, the lower end of recent history. However, most software companies add back stock-based compensation expense in calculating pro forma earnings. This treatment makes companies appear more profitable and cheaper than under generally accepted accounting principles (GAAP). At 28x forward GAAP earnings, software companies are less attractive, particularly given the heightened uncertainty and threat of AI competition.

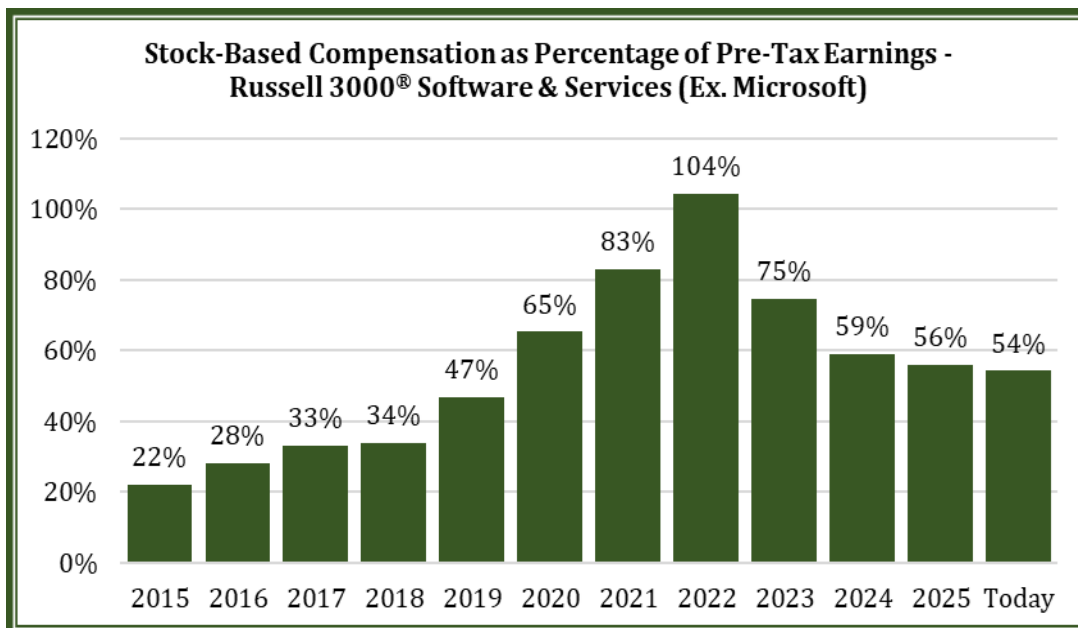


Chart 3 Data Source: S&P Capital IQ<sup>PRO</sup>. See footnote 6. Charts are provided for illustrative purposes only.

While the magnitude of stock-based compensation relative to earnings has declined from its peak, we recall an excerpt from our Q1 2022 commentary:

“For the most part, it has been a free lunch for both employees and the company, enabled by stock-based compensation accounting, which does not fully reflect the value transferred, and market convention, which has allowed companies to add back stock compensation to earnings. But the lunch isn’t free; it’s paid for by shareholders. While shareholders may happily bear that cost, there’s no justification for pretending they didn’t pick up the tab.”<sup>7</sup>

Our view of normalized earnings and, as a result, valuations reflects the very real cost of paying employees with stock. While we have taken advantage of the recent weakness in software stocks by purchasing new positions in Adobe in both strategies and FactSet Research Systems in ACV, we believe the space remains expensive overall.

Along with the weak performance of companies perceived to be vulnerable to AI competition, many of the largest perceived beneficiaries of AI did poorly, too. Each of the large cloud hyperscalers – Microsoft, Oracle, Amazon, and Alphabet, along with Meta – declined 8% or more during the quarter. Perhaps the market is reacting to the earnings quality and capex-related depreciation concerns amongst the largest AI players.<sup>8</sup> Or maybe it’s the continuing anecdotes of tepid demand, with this quarter’s evidence involving strong-arm tactics employed by companies to drive AI usage.<sup>9</sup> Or it may be as simple as an expensive market selling off amidst investor fears about the Iran war, the spike in oil prices, stubborn inflation, and emerging concerns in private credit.

Such contradictions, where perceived winners and losers both fare poorly, are not unusual in the face of significant technological change.<sup>10</sup> Turbulence and heightened price volatility should be expected as disparate investors seek to discount dramatic change. Instead of explicitly forecasting far into the future, however, we focus on selecting stocks with both durable quality characteristics and reasonable valuations. Collectively, we believe our portfolios are appropriately diversified and positioned to perform well across a range of economic and technological environments.

## **Portfolio Review**<sup>11</sup>

During the quarter, in addition to adds to and trims of existing positions, we sold four stocks based on valuation – General Dynamics, Johnson & Johnson, Williams Companies, and a small stub position in Magnum Ice Cream, which was recently spun out from Unilever. We bought General Dynamics and Williams Companies during the Covid-19 sell-off in March 2020, and both companies performed well fundamentally during our six-year holding period, growing earnings per share in total by approximately 30% and 110%, respectively. But their stock prices performed even better. We sold General Dynamics and Williams Companies for roughly three and four times our initial purchase price, respectively. At the time of our purchase, their near-term prospects were dim and pessimism rampant, and this was reflected in their inexpensive valuations, resulting in outsized returns compared to their fundamental progress.

We initiated positions in Adobe Inc. (ADBE) and FactSet Research Systems Inc. (FDS) during the quarter. We also completed the purchase of a position in Solventum Corporation (SOLV) in early April.

We acquired a 1.5% position in Adobe for All-Cap portfolios and a 2% position for Large-Cap portfolios. Adobe is a leading provider of software tools for creative and marketing professionals globally. In addition to creative tools, Adobe provides digital marketing and document publishing products. Essentially all of Adobe's revenue is subscription-based (97%) with high retention rates. The company has generated consistent, profitable growth over the last 15 years, benefiting from both its strong product offerings and the expansion of the digital economy. Shares are down 65% from the highs of 2021 and 30% year to date on fears over the potential threat generative AI poses to subscription software businesses.

For its part, Adobe has aggressively integrated generative AI tools into its creative applications while taking a model-agnostic approach to product development. Management believes, contrary to more pessimistic views, that these tools will drive an acceleration in content creation that will, in turn, support and expand the ongoing use of Adobe's creative applications. The company has generated double-digit revenue and earnings growth over the trailing one-, three-, five- and ten-year periods with few signs of meaningful near-term deceleration. Shares, which traded for more than 50x forward non-GAAP earnings estimates in 2021, trade at just over 10x forward non-GAAP earnings estimates today and less than 14x our view of normalized earnings when appropriately reflecting stock-based compensation as an expense.

We purchased a 1.5% position in FactSet Research Systems for All-Cap portfolios. FactSet provides integrated data and workflow solutions, including both proprietary and third-party data, to front-, middle- and back-office professionals at financial services firms. While FactSet is essentially a software provider, it is classified in the financial sector according to GICS®. The company's products are highly integrated into client workflows, resulting in exceptional revenue retention. Clients include 95 of the 100 largest global asset managers and 37 of the 50 largest global investment banks. FactSet has a decades-long history of year-over-year increases in revenue and earnings per share.

Shares in FactSet are down over 55% since late 2024 and 25% year to date due to the potential impact of AI on the company's operations. Management, however, believes AI will amplify demand for FactSet's data given the highly regulated nature of financial services workflows. Moreover, the company is investing to integrate AI tools on top of its existing offerings to further improve customer productivity. Shares, which traded at nearly 40x forward non-GAAP earnings estimates in early 2022, trade at less than 12x forward non-GAAP earnings estimates and 13x our view of normalized earnings. The company has an \$8 billion market capitalization and a 2% dividend yield.

While we acknowledge the potential disruption that generative AI tools may have on the software industry and the broader economy, the timing, severity, and focus of the technology's impact are still largely uncertain. Just as the market was pricing shares of Adobe and FactSet for perfection post Covid, we believe

there is now an abundance of pessimism priced into shares while the fundamentals are indicative of growing businesses with exceptional economics and strong balance sheets.

We also acquired a 1.5% position in Solventum for All-Cap portfolios. The company, which was spun out of 3M in 2024, manufactures a portfolio of medical and dental products including vacuum-connected negative pressure wound dressings, IV dressings, sterilization products, medical wraps and tapes, surgical blankets, restorative cements, and bonding agents, among others. The company also operates a faster-growing, higher-margin medical software business, which helps three-quarters of U.S. hospitals map services provided to their respective medical codes in the billing process.

Solventum has made solid progress as a standalone entity, highlighted by accelerating volume and sales growth as well as a strengthened balance sheet. Despite this fundamental progress, shares are down slightly from the time of the spin-off as questions persist regarding the business's normalized operating profit margin. Solventum must also identify an alternative supplier for products sourced from 3M, which currently account for more than a quarter of revenues. More recently, fears of potential disruption from AI on the medical coding business, which accounts for 30% of profits, have pressured shares. Nevertheless, we are attracted to the company's diversified portfolio of essential products serving growing markets and see good value in shares, which trade at less than 12x our conservative view of normalized earnings. Solventum has an \$11 billion market capitalization and carries a BBB credit rating from S&P.<sup>12</sup>

At quarter end, our portfolios traded at a weighted average of less than 15x trailing earnings and approximately 12x forward earnings, with a return on equity of 17%, weighted average credit rating of A-, and a dividend yield of 3.3–3.5%.<sup>13</sup> Our largest sector overweights compared to our R3000V and R1000V benchmarks, in descending order, were consumer staples, healthcare, and real estate.<sup>14</sup> We also continue to have elevated exposure to ADRs, global businesses that trade in U.S. markets but domicile outside of the U.S. Our largest underweights in descending order were in information technology, industrials, and consumer discretionary.<sup>15</sup> We believe our broadly diversified portfolios have quality characteristics, trade at attractive valuations, and are positioned to perform well across a range of economic outcomes.

Please tune in to our upcoming quarterly investment presentation for more details.

### **Organization Update**

Fred Gifford, who joined us in 2011 and built out our midwestern territory, will retire from EIC as of June 30th. We will miss his insight on industry trends and developments and especially his keen sense of humor. Steve Zimmerman, who has over 20 years of sales experience in the region, most recently with Polen Capital, will be taking over for Fred. Steve has been traveling with Fred and visiting clients in preparation for the eventual handoff.

Nidhi Khurana joined EIC as an investment analyst in March. Nidhi began her career as a consultant for Accenture before earning her MBA from Harvard Business School and then spending two years as an associate for Vista Equity Partners in Chicago.

Finally, Caroline Howell, who joined EIC as an Operations Analyst in 2022, was promoted to Operations Manager in recognition of her increasing responsibilities within our firm.

Congratulations to Caroline on her promotion and Fred on his success and well-earned retirement. We welcome Steve and Nidhi to our firm.

As always, we thank you for your partnership.

**W. Andrew Bruner, CFA, CPA   Ian Zabor, CFA  
Robert Ladyman, CFA   Thomas Knapp, CFA**

## Disclosures

<sup>1</sup> Data Source: Morningstar Direct<sup>SM</sup>. Performance attribution for EIC ACV and LCV representative portfolios versus Russell 3000 Value Index and Russell 1000 Value Index, respectively, for the three months ended March 31, 2026. Individual portfolio sector weights may vary from that of the representative portfolios.

Sectors are determined using the Global Industry Classification Standard (“GICS”). GICS<sup>®</sup> 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.

<sup>2</sup> 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<sup>®</sup> 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.

<sup>3</sup> 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 March 31, 2026. 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.

<sup>4</sup> Data Source: S&P Capital IQ<sup>PRO</sup>. Price return for iShares Trust - iShares Expanded Tech-Software Sector ETF (BATS:IGV) over the three months ended March 31, 2026.

<sup>5</sup> Reflects index-weighted market capitalization divided by index-weighted forward adjusted earnings estimates (black line) and index-weighted market capitalization divided by index-weighted forward GAAP earnings estimates (green line) for Russell 3000 Index constituents classified as members of the Software & Services industry group according to S&P (excluding Microsoft) at each year-end December 31, 2015 to December 31, 2025 and March 31, 2026.

<sup>6</sup> Reflects aggregated stock-based compensation on a last twelve month basis divided by aggregated pre-tax income excluding unusual items on a last twelve month basis for Russell 3000 Index constituents classified as members of the Software & Services industry group according to S&P (excluding Microsoft) at each year-end December 31, 2015 to December 31, 2025 and March 31, 2026.

<sup>7</sup> Equity Investment Corporation, All-Cap Value & Large-Cap Value, 2022 First Quarter Commentary, April 2022.

<sup>8</sup> Elder, Bryce. “Big tech’s \$680bn buy-now-book-later problem.” *Financial Times*. January 29, 2026. <https://www.ft.com/content/0dbfe94f-2136-432c-b075-4587092dee58>.

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<sup>9</sup> Bindley, Katherine and Blunt, Katherine. “Tech Firms Aren’t Just Encouraging Their Workers to Use AI. They’re Enforcing It.” *The Wall Street Journal*. February 24, 2026. <https://www.wsj.com/tech/ai/tech-firms-arent-just-encouraging-their-workers-to-use-ai-theyre-enforcing-it>.

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<sup>10</sup> “Why investors won’t know what to make of AI for a while.” *The Economist*. March 12, 2026. <https://www.economist.com/finance-and-economics/2026/03/12/why-investors-wont-know-what-to-make-of-ai-for-a-while>.

<sup>11</sup> 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.

<sup>12</sup> Data Source: S&P Capital IQ<sup>PRO</sup>. S&P credit-quality ratings on March 31, 2026. 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.

<sup>13</sup> Data Source: Morningstar Direct<sup>SM</sup> as of March 31, 2026. Weighted average trailing twelve-month P/E ratio, forward P/E ratio, and return on equity for EIC ACV and LCV representative portfolios, as calculated by Morningstar.

Data Source: S&P Capital IQ<sup>PRO</sup>. Weighted average of S&P credit-quality ratings on underlying securities held in the representative EIC ACV and LCV portfolios on March 31, 2026, and not the portfolios themselves.

Data Source: APL Systems as of March 31, 2026. Dividend yield for EIC ACV and LCV representative portfolios are shown on a gross basis.

<sup>14</sup> Data Source: Morningstar Direct<sup>SM</sup>. GICS sector weights for EIC ACV and LCV representative portfolios for the month ended March 31, 2026. Individual portfolio sector weights may vary from that of the representative portfolio.

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<sup>15</sup> Data Source: Morningstar Direct<sup>SM</sup>. GICS sector weights for EIC ACV representative portfolio for the month ended March 31, 2026. Largest underweights were industrials, information technology, and utilities sectors in the LCV representative portfolio. Individual portfolio sector weights may vary from that of the representative portfolio.

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# Equity Investment Corporation

## All-Cap Value SMA Composite Report

<u>As of 12/31/2025</u>	1 Year	5 Year (annualized)	10 Year (annualized)	Since Inception** (annualized)
Gross Rate of Return <sup>1</sup> (Supplemental)	16.9%	14.8%	12.0%	11.9%
Assumed 3% Annual Fee Net Rate of Return <sup>1</sup>	13.5%	11.4%	8.8%	8.6%
Benchmark Return of Russell 3000® Value Index	15.7%	11.2%	10.5%	10.4%

**Table Notes:**

<sup>1</sup> 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 December 31, 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 7.8% (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 December 31, 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 10.2% (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 <sup>1</sup> (Supplemental)	Assumed 3% Annual Fee Net Rate of Return <sup>1</sup>	Benchmark Return of Russell 3000® Value Index	Composite 3-Yr St Dev	Benchmark 3-Yr St Dev	Dispersion <sup>2</sup> of Annual Returns (St Dev)	Number of Portfolios <sup>3</sup>	Composite Assets (\$ Millions)	Advisory-Only (UMA) and Managed Assets		
									UMA Assets <sup>4</sup> (\$ Millions) (Supplemental)	GIPS® Firm Assets (\$ Millions)	Total Assets <sup>4</sup> (\$ Millions) (Supplemental)
2025	16.9%	13.5%	15.7%	12.0%	12.7%	0.5%	2837	\$1,614.9	\$4,410.6	\$3,509.6	\$7,920.2
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	\$202.2	\$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:

<sup>1</sup> \*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.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> “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

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### **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 December 31, 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](http://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<sup>PRO</sup>.

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# Equity Investment Corporation

## Large-Cap Value SMA Composite Report

<u>As of 12/31/2025</u>	1 Year	5 Year (annualized)	10 Year (annualized)	Since Inception** (annualized)
Gross Rate of Return <sup>1</sup> (Supplemental)	15.8%	14.9%	12.0%	9.9%
Assumed 3% Annual Fee Net Rate of Return <sup>1</sup>	12.4%	11.5%	8.7%	6.6%
Benchmark Return of Russell 1000® Value Index	15.9%	11.3%	10.5%	7.7%

**Table Notes:**

<sup>1</sup> 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 <sup>1</sup> (Supplemental)	Assumed 3% Annual Fee Net Rate of Return <sup>1</sup>	Benchmark Return of Russell 1000® Value Index	Composite 3-Yr St Dev	Benchmark 3-Yr St Dev	Dispersion <sup>2</sup> of Annual Returns (St Dev)	Number of Portfolios <sup>3</sup>	Composite Assets (\$ Millions)	Advisory-Only (UMA) and Managed Assets		
									UMA Assets <sup>4</sup> (\$ Millions) (Supplemental)	GIPS® Firm Assets (\$ Millions)	Total <sup>4</sup> (\$ Millions) (Supplemental)
2025	15.8%	12.4%	15.9%	11.5%	12.4%	0.4%	1057	\$485.8	\$4,410.6	\$3,509.6	\$7,920.2
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:

<sup>1</sup>\*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).

<sup>2</sup>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.

<sup>3</sup>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.

<sup>4</sup>“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

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### **Disclosures (cont.):**

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