EQUITY INVESTMENT CORPORATION

Mid-Cap Value

2026 Second Quarter Commentary

July 2026

Following a relatively weak first quarter, stocks posted exceptionally strong returns in the second quarter. The Russell Midcap® Value Index (RMCV) gained 13.4%. In this risk-on environment, our Mid-Cap Value (MCV) SMA composite trailed its benchmark by a wide margin, increasing 6.4% on a gross basis. Our shortfall in the quarter was largely driven by our underweight in the information technology sector.[1]

Year to date, the RMCV gained 17.6%. While our MCV SMA composite increased only 9.7% on a gross basis, it closely tracked the 8.6% return of the RMCV excluding contributions from the semiconductors & semiconductor equipment and technology hardware & equipment industry groups.[2] Longer term, the strategy remains ahead of its Russell benchmark on a gross basis, as shown below.

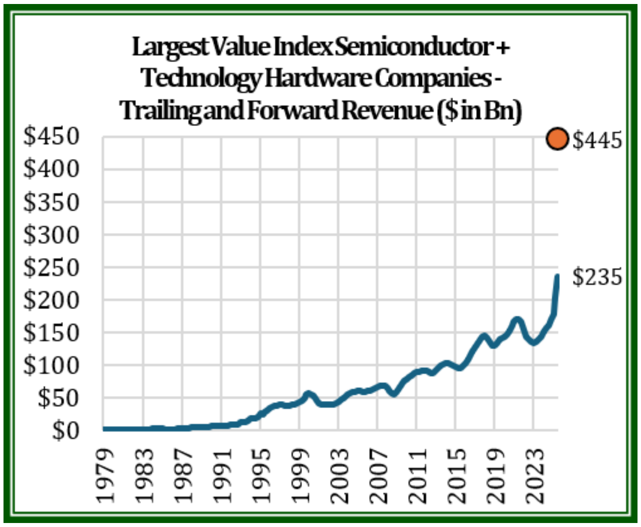
For the periods ended June 30, 2026	Q2	YTD	1 Year	5 Year	10 Year	SI*
EIC MCV SMA Gross	6.4%	9.7%	16.3%	11.8%	11.8%	11.0%
EIC MCV SMA Net	5.7%	8.1%	12.9%	8.5%	8.5%	7.8%
Russell Midcap® Value Index	13.4%	17.6%	26.6%	9.5%	10.6%	10.1%

*Table 1 Data Source: Morningstar Direct℠ and S&P Capital IQ^PRO. *Since Inception (SI): January 1, 2004. Returns for periods greater than one year are annualized. Past performance does not guarantee future results. See footnote 3.*

<u>Investment Environment</u>

At EIC, our philosophy has always been that avoiding significant losses is the key to long-term investment success. In environments characterized by extreme sentiment, as valuations suggest we are currently experiencing, our relative performance tends to be more a reflection of the stocks we don't own rather than those we do own. While the RMCV, as well as the stock market in total, produced large gains year to date, it did so with unusually narrow breadth. More than 62% of the RMCV's start-of-year index weight has underperformed the index this year.[4] On a combined basis, RMCV constituents in the technology hardware & equipment and semiconductors & semiconductor equipment industry groups delivered returns of 132%.[5] We don't own any investments in these industry groups in light of the intense cyclicality of demand, financial leverage, and weak through-cycle returns on capital demonstrated over the last three decades. In today's extreme environment, what we don't own – in this case, technology hardware and semiconductor stocks – explains virtually all of our relative underperformance thus far in 2026.

The driving force behind this quarter's explosive (albeit narrow) performance was renewed enthusiasm for "picks and shovels", the hardware and infrastructure suppliers to the artificial intelligence (AI) buildout. Capex estimates for AI hyperscalers continue to climb, with forecasts for $4.5 trillion of spending in the next five years.[6] The prime beneficiaries of this spending are designers of high-performance semiconductors like Nvidia. More recently, though, firms producing memory, storage, and less specialized processors are also seeing strong growth, as seen in the charts on the following page.



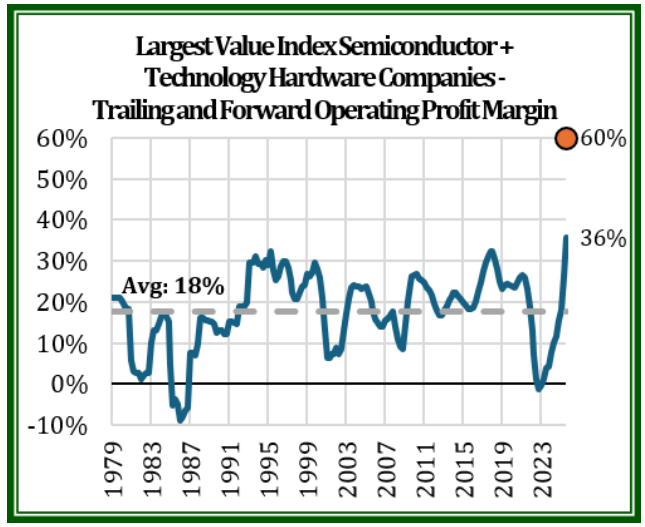


Chart 1 Data Source: S&P Capital IQ^{PRO}. Includes MU, INTC, AMD, AMAT, SNDK, and WDC. See footnote 7.

The chart on the left shows historic revenue (in blue) and current forward revenue estimates (in orange) for this group. The chart on the right shows historic and forward operating margins. Revenues have exploded higher, driven by price hikes of nearly 300% for memory chips in the last year and anecdotes of price-insensitive hyperscalers double- and triple-ordering to guarantee supply.[8] This virtuous pricing-led revenue growth is in turn leading to all-time high margins for a group that has historically been highly cyclical, barely earned its cost of capital through the cycle, and collectively lost money as recently as 2023.

We struggle to recall examples where rapid price increases of nearly 300% were sustainable over the long term. Predictably, to alleviate the supply/demand imbalance, the three largest memory chip manufacturers have committed to significant capacity increases, though it will take some time to impact the market.[9] In the meantime, customers are considering Chinese suppliers as alternatives, and Apple has expressed its willingness to use its balance sheet to increase supply in the market.[10]

Nevertheless, investors have responded to the near-term virtuous environment and bid up the stocks. At quarter end, the group was richly priced, trading at 52x trailing earnings and still 18x significantly higher forward estimates, and five of the six companies were reclassified from the Russell 3000® Value Index (R3000V) to the Russell 3000® Growth Index (R3000G) as part of Russell's annual reconstitution.[11] Incredibly, analysts expect Micron, the largest constituent of this group, to generate more net income over the next twelve months than it has earned cumulatively since 1990.[12] If we normalized revenue growth and margins to account for the extraordinary recent growth and uncertain future, the stocks would be significantly more expensive than their trailing and forward multiples suggest.

By our calculations, total returns within the R3000V have never been so distorted by a single theme over a two-quarter period. Since 1986, the only parallel of double-digit return contributions to an index occurred when semiconductor and technology hardware stocks bolstered R3000G returns around the tech bubble, which by no means sets a precedent of sustainability. The chart on the following page shows the best and worst return contributions of industry groups within the R3000V and R3000G on a two-quarter basis dating back to 1986.

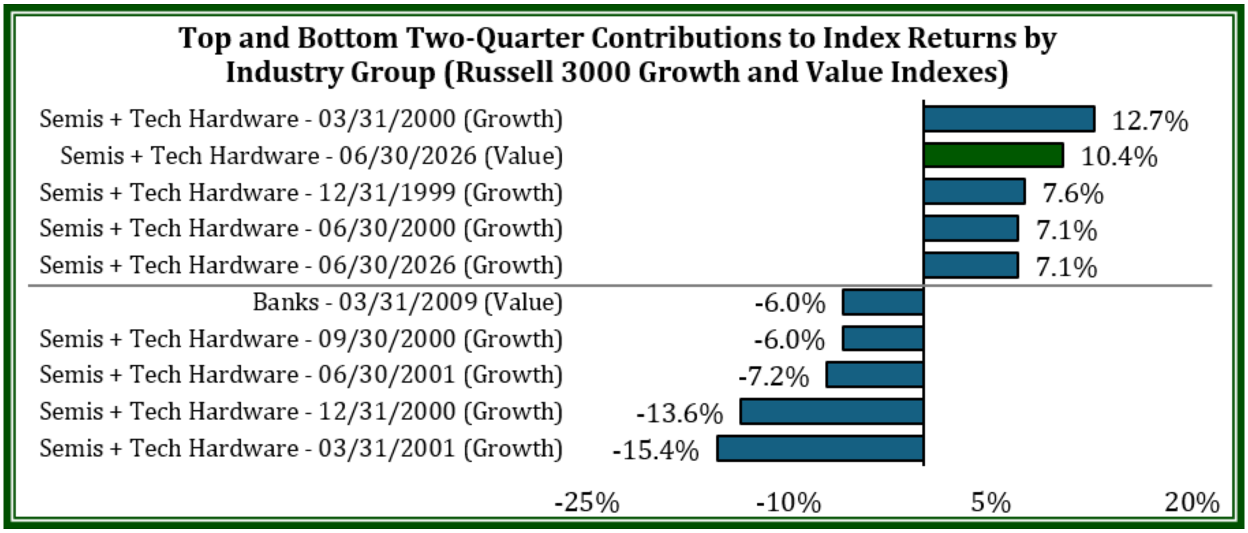


Chart 2 Data Source: S&P Capital IQ^PRO. See footnote 13. Charts are provided for illustrative purposes only.

As a result of this distortion, semiconductor and technology hardware firms now make up a record 27% of the index weight of the Russell 3000® Index, far eclipsing tech bubble highs.[14] The current mood is perhaps best summarized by one portfolio manager, who said, "These companies are off the charts. It won't last forever, but it's difficult to stay out of these names."[15] This reminds us of the Citibank CEO's ill-timed remarks on the eve of the financial crisis: "As long as the music is playing, you've got to get up and dance."[16]

Interestingly, as the "picks and shovels" post strong gains, their hyperscaler customers have dramatically underperformed, with the group collectively posting a small negative return year to date. Perhaps the market is considering their growing dependence on two deeply unprofitable startups that are increasingly competing on price.[17] Or maybe it is beginning to question the long-term value of AI, with continued anecdotes around quality and companies reining in AI spending or seeking out cheaper Chinese models. Or maybe the market is increasingly coming to terms with the daunting math of earning acceptable returns given the extraordinary spending that, if continued, will dramatically alter the hyperscalers' cash flow and balance sheet profiles.[18] While the future is uncertain, we view this divergence as unsustainable.

Taking a step back, valuations across the market remain historically high, as seen in the following chart.

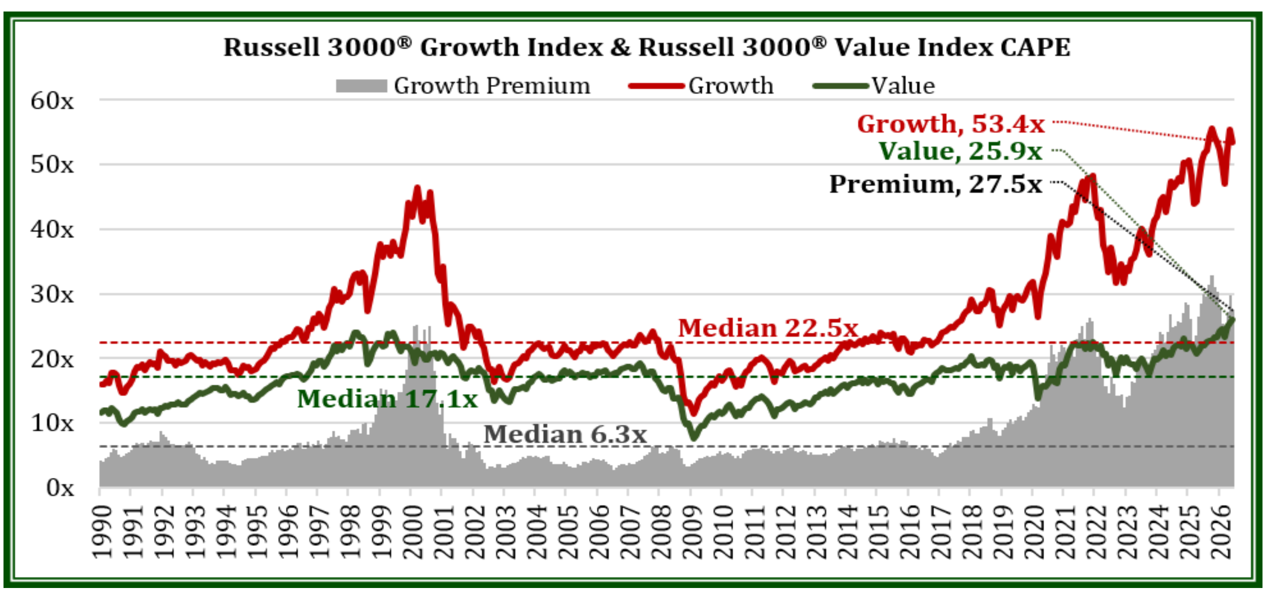


Chart 3 Data Source: S&P Capital IQ^PRO. See footnote 19. Charts are provided for illustrative purposes only.

From these levels, growth stocks have historically delivered negative returns for the next decade, while value stocks have produced modestly positive results. However, the spread between the cheapest and most expensive stocks within both the Russell 3000® Index and R3000V remains quite wide, creating opportunities for higher expected returns.

We believe markets are suffering from two acute memory shortages. There is, of course, the shortage of DRAM in the face of an AI arms race that is boosting the results of semiconductor and technology hardware companies. But there is also a memory shortage on the part of investors with respect to the risks inherent in wildly overpaying for an uncertain future. While the tech bubble is ancient history to many investors, there are several recent examples of such risks. For instance, many of the stocks and themes that led the market to all-time highs in 2021 now sit well below their peaks. Cryptocurrencies, software and other work-from-home beneficiaries, special purpose acquisition companies, and long-tailed growth "compounders" are just a few examples of investors extrapolating favorable results and/or positive sentiment/momentum to justify high prices. As extreme optimism has given way to pessimism, many of these stocks and themes have become significantly cheaper. Accordingly, we find ourselves increasingly looking at and, in some instances, buying some of these stocks today.

<u>Portfolio Review</u>[20]

During the quarter, in addition to adds to and trims of existing positions, we sold our position in The Travelers Companies, Inc. We had held shares in MCV accounts since March of 2020, when the company's market capitalization briefly fell below $25 billion. Shares have tripled since our purchase and, as a result, we exited the position due to valuation.

Our largest sector overweights relative to the RMCV are in consumer staples and financials while our largest underweights are in industrials and information technology.[21] We are increasingly seeing value in what we are calling the FIFA trade – Formerly Invincible Fallen Angels – purchasing a group of high-quality companies with a record of consistently strong long-term fundamentals whose stocks traded richly in the recent past, often aided by various Covid-induced tailwinds that produced near perfect conditions. Many now trade cheaply as those tailwinds have dissipated or even turned into headwinds. We believe this market, driven increasingly by momentum and short-term thinking, is, as it was in the aftermath of the financial crisis, significantly underpricing patience – the ability to hold high-quality but out-of-favor companies, uncertain of when or if they will resume their historical growth. We may be wrong about one or more of them, but collectively, by virtue of their quality and attractive valuation, we think the group has high odds of success.

At quarter end, our representative portfolio traded at approximately 16x trailing and 13x forward earnings, with a BBB+ weighted average credit rating, long-term expected earnings growth of 9%, and an above-market dividend yield of 2.7%.[22]

As a reminder, we invest where value leads, which can cause our MCV portfolios to look and perform quite differently than the market overall. We see this in our results versus various indexes, where large swings in our relative returns have become more common since Covid, depending on whether the market is in risk-on or risk-off mode. We have seen similar large swings in past periods of excess, such as the financial crisis. As a result, our three-year return correlations versus the RMCV, Russell Midcap® Growth and S&P 500® Indexes are among the lowest in the strategy's history, as seen in the chart on the following page.

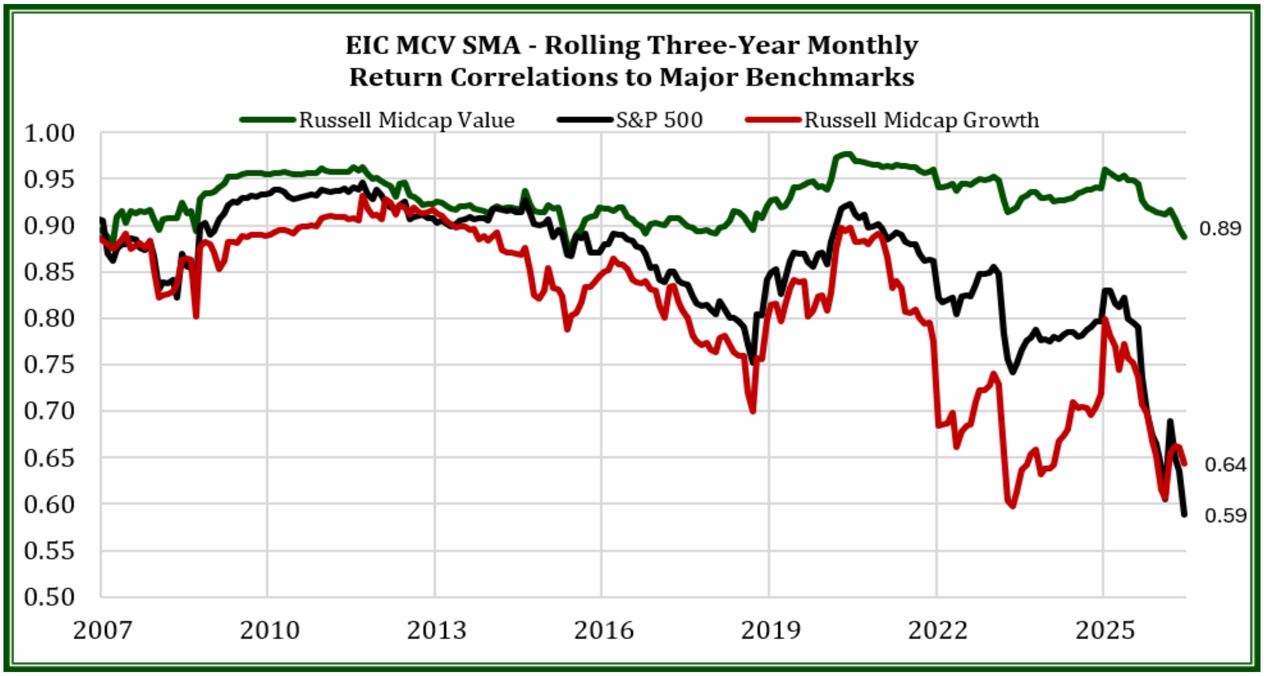


Chart 4 Data Source: Morningstar Direct℠. See footnote 23. Charts are provided for illustrative purposes only.

In a market characterized by the AI capital expenditure binge, extreme optimism, index concentration, and historically high valuations, risks for investors are unusually acute. Despite these conditions, we believe our broadly diversified MCV portfolios trade at attractive valuations while maintaining quality characteristics. Further, their recent return correlations suggest a very differentiated risk and return profile.

Please tune in to our upcoming quarterly investment presentation for more details. As always, thank you for your continued partnership with EIC.

W. Andrew Bruner, CFA, CPA   Ian Zabor, CFA

Robert Ladyman, CFA   Thomas Knapp, CFA

Disclosures

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[1] Data Source: Morningstar Direct℠. Performance attribution for EIC MCV representative portfolio versus Russell Midcap Value Index, for the three months ended June 30, 2026. Individual portfolio sector weights may vary from that of the representative portfolio.
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] Data Source: S&P Capital IQ PRO. Returns reflect aggregate index-weighted total returns of Russell Midcap Value Index constituents based on start-of-year constituent weights for the period from December 31, 2025 to June 26, 2026 and start-of-period constituent weights reflecting the Russell reconstitution for the period from June 26, 2026 to June 30, 2026. Members of the semiconductors & semiconductor equipment and technology hardware & equipment industry groups determined according to GICS.
[3] 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.
[4] Data Source: S&P Capital IQ PRO. Aggregate percentage of start-of-year index weights of Russell Midcap Value Index constituents whose return underperformed the Russell Midcap Value Index return for the year-to-date period ended June 30, 2026.
[5] Data Source: S&P Capital IQ PRO. Returns reflect aggregate index-weighted total returns of Russell Midcap Value Index constituents based on start-of-year constituent weights for the period from December 31, 2025 to June 26, 2026 and start-of-period constituent weights reflecting the Russell reconstitution for the period from June 26, 2026 to June 30, 2026. Members of the semiconductors & semiconductor equipment and technology hardware & equipment industry groups determined according to GICS.
[6] Data Source: S&P Capital IQ PRO. Reflects aggregate calendar year estimated capital expenditures for Alphabet, Amazon, Meta Platforms, Microsoft, and Oracle from 2026 through 2030 as of June 30, 2026.
[7] Group of companies consists of Advanced Micro Devices, Applied Materials, Intel, Micron, Sandisk, and Western Digital. Reflects aggregate historical revenue and operating profit margin for the six companies over the trailing-twelve-month period ended December 31, 1979 through the trailing-twelve-month period ended June 30, 2026. Reflects aggregate consensus estimates for revenue and operating profit margin for the next-twelve-month period as of June 30, 2026. Charts are provided for illustrative purposes only.
[8] Whelan, Robbie. "The Memory-Chip Crisis Is Here – and You're Footing the Bill." Wall Street Journal. June 20, 2026. https://www.wsj.com/tech/personal-tech/memory-chip-crisis-consumer-electronics-d24cdddf?eafs_enabled=false.
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[9] Jung-a, Song. "Samsung and SK Hynix plan $600bn chipmaking expansion." Financial Times. June 29, 2026. https://www.ft.com/content/86013b7e-41da-445a-981c-075a701dccf6?syn-25a6b1a6=1.
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[10] Winkler, Rolfe. "Apple to Raise Prices Due to Memory Chip Crunch, Tim Cook Says." The Wall Street Journal. June 17, 2026. https://www.wsj.com/tech/apple-price-increases-memory-supply-199845b1?st=vur6Td.
[11] Data Source: S&P Capital IQ PRO. Group of companies consists of Advanced Micro Devices, Applied Materials, Intel, Micron, Sandisk, and Western Digital. Reflects aggregate market capitalization, adjusted net income as calculated on a trailing-twelve-month basis, and consensus estimates for adjusted net income over the next twelve months as of June 30, 2026.
[12] Bryant, Chris. "Micron's Massive Profits Are a Guarantee of Trouble." Bloomberg. July 9, 2026. https://www.bloomberg.com/opinion/articles/2026-07-09/sk-hynix-micron-samsung-massive-chip-profits-are-a-guarantee-of-trouble.
[13] Russell 3000 Value Index and Russell 3000 Growth Index monthly returns and monthly returns by industry group based on start-of-month constituent weights from July 31, 1985 to June 30, 2026. Industry group contribution to index returns calculated as the two-quarter total return of the applicable index divided by the two-quarter total return of the applicable index excluding the industry group and subtracting one from the resulting quotient. For purposes of this analysis, Semis + Tech Hardware reflects combined contributions of the semiconductors & semiconductor equipment and technology hardware & equipment industry groups.
[14] Data Source: S&P Capital IQ PRO. Reflects weight of constituents included in the semiconductors & semiconductor materials and technology hardware & equipment industry groups according to GICS in the Russell 3000 Index as of June 30, 2026.
[15] Herbert, Emily and Bradshaw, Tim. "Magnificent Seven stocks shed $2.2tn in Wall Street tech rotation." Financial Times. June 30, 2026. https://www.ft.com/content/b90bdfcb-d773-42f7-bb5f-52dbd28b2174?syn-25a6b1a6=1.
[16] "When the music stops." The Guardian. November 5, 2007. https://www.theguardian.com/commentisfree/2007/nov/06/comment.business.

[17] "The Second Derivative: Why No One Understands the AI Boom." Groundbreaker. July 2, 2026. https://www.groundbrkr.com/p/the-second-derivative-why-no-one.

[18] Burn-Murdoch, John. "How much value is AI really creating?" Financial Times. June 5, 2026. https://www.ft.com/content/8e9ae7a4-7209-4e2c-aa36-f3af77d6ce1f?syn-25a6b1a6=1.

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[19] 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 June 30, 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.

[20] 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.

[21] Data Source: Morningstar Direct℠. GICS sector weights for EIC MCV representative portfolio for the month ended June 30, 2026. Individual portfolio sector weights may vary from that of the representative portfolio.

[22] Data Source: Morningstar Direct℠ as of June 30, 2026. Weighted average trailing twelve-month P/E ratio, forward P/E ratio, and expected earnings growth rate for EIC MCV representative portfolio, as calculated by Morningstar.

Data Source: S&P Capital IQ^PRO. Weighted average of S&P credit-quality ratings on underlying securities held in the representative EIC MCV portfolio on June 30, 2026, and not the portfolio itself.

Data Source: APL Systems as of June 30, 2026. Dividend yield for EIC MCV representative portfolio is shown on a gross basis.

[23] Correlation of monthly returns of Mid-Cap Value with those of the Russell Midcap Value, S&P 500, and Russell Midcap Growth indexes over rolling 36-month periods from the period ending January 31, 2000 to the period ending June 30, 2026.

Equity Investment Corporation
Mid-Cap Value SMA Composite Report

As of 6/30/2026	1 Year	5 Year (annualized)	10 Year (annualized)	Since Inception** (annualized)
Gross Rate of Return[1] (Supplemental)	16.3%	11.8%	11.8%	11.0%
Assumed 3% Annual Fee Net Rate of Return[1]	12.9%	8.5%	8.5%	7.8%
Benchmark Return of Russell Midcap® Value Index	26.6%	9.5%	10.6%	10.1%

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 annual SMA fee of 3.0% (0.25%/month).
**Inception Date: January 1, 2004

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 Mid-Cap Value wrap (SMA) accounts. The strategy invests in high-quality, well-managed mid-cap 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 Mid-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. All accounts included in the composite are managed according to similar investment guidelines. The composite creation and inception date is January 1, 2004, and SMA accounts comprise 100% of the composite. The benchmark index is the Russell Midcap® Value Index (which excludes an advisory fee), and was chosen because it is representative of the composite's investment style. The Russell Midcap Value Index measures the performance of the mid-cap value segment of the US equity universe. It is a subset of the Russell Midcap® Index and includes approximately 800 of the Russell 1000® companies with lower price-to-book ratios and lower expected long-term mean earnings growth rates.

Performance has been measured on a monthly basis from January 1, 2004, to present. Periods are geometrically linked to obtain the quarterly and annual results. Eligible new accounts are added to the composite at the beginning of the first full quarter under EIC management. Trade-date accounting with monthly valuations and adjustments for large cash flows are used. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. The US Dollar is the currency used to express performance. Returns include the reinvestment of all income. There are no non-fee paying accounts. 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
Mid-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 Midcap® Value Index	Composite 3-Yr St Dev	Benchmark 3-Yr St Dev	Dispersion[2] of Annual Returns (St Dev)	Number of Portfolios	Composite Assets ($ Millions)	Advisory-Only (UMA) and Managed Assets		
									UMA Assets[3] ($ Millions) (Supplemental)	GIPS® Firm Assets ($ Millions)	Total Assets[3] ($ Millions) (Supplemental)
2026 (through 6/30)	9.7%	8.1%	17.6%	13.3%	14.6%	1.0%	12	$6.1	$4,931.5	$3,747.9	$8,679.4
2025	15.1%	11.7%	11.0%	14.4%	15.3%	0.8%	12	$5.6	$4,410.6	$3,509.6	$7,920.2
2024	11.6%	8.3%	13.1%	17.6%	19.8%	0.4%	12	$4.6	$3,441.9	$3,051.2	$6,493.1
2023	12.8%	9.5%	12.7%	17.2%	19.3%	0.5%	12	$4.0	$2,818.0	$2,654.3	$5,472.3
2022	3.0%	0.0%	-12.0%	21.3%	24.4%	0.3%	10	$3.3	$2,392.5	$2,267.8	$4,660.4
2021	30.2%	26.5%	28.3%	18.9%	22.0%	0.7%	12	$3.4	$2,108.2	$2,027.4	$4,135.6
2020	3.5%	0.4%	5.0%	18.6%	22.6%	0.8%	10	$2.2	$1,694.6	$1,607.6	$3,302.2
2019	18.3%	14.9%	27.1%	9.4%	12.8%	0.7%	22	$5.5	$1,942.4	$2,245.1	$4,187.5
2018	-6.4%	-9.2%	-12.3%	8.4%	12.0%	0.7%	21	$4.7	$1,721.0	$2,219.9	$3,940.9
2017	12.6%	9.3%	13.3%	7.5%	10.3%	1.0%	20	$5.4	$2,044.9	$2,790.7	$4,835.6
2016	16.6%	13.2%	20.0%	8.4%	11.3%	1.0%	15	$4.3	$2,044.5	$2,994.4	$5,038.9
2015	-2.1%	-5.0%	-4.8%	8.9%	10.7%	1.0%	9	$2.3	$1,590.0	$3,658.9	$5,248.9
2014	15.2%	11.8%	14.8%	8.9%	9.8%	N/A	5	$1.8	$1,657.7	$3,862.6	$5,520.3
2013	33.6%	29.7%	33.5%	10.5%	13.7%	N/A	3	$1.1	$1,009.2	$3,286.3	$4,295.5
2012	11.3%	8.0%	18.5%	10.7%	16.8%	N/A	3	$0.9	$665.6	$2,301.1	$2,966.7
2011	5.3%	2.2%	-1.4%	15.3%	22.8%	N/A	1	$0.2	$314.5	$1,127.9	$1,442.5
2010	22.8%	19.3%	24.8%	17.9%	27.1%	0.4%	7	$1.7	$77.9	$836.9	$914.8
2009	28.1%	24.4%	34.2%	17.6%	25.0%	0.9%	8	$1.5	$10.5	$541.2	$551.8
2008	-20.4%	-22.8%	-38.4%	13.0%	18.7%	1.2%	11	$1.7	$0.0	$362.6	$362.6
2007	4.4%	1.3%	-1.4%	8.3%	9.1%	0.7%	16	$3.2	$0.0	$448.1	$448.1
2006	12.2%	8.9%	20.2%	7.3%	8.7%	0.5%	20	$6.6	$0.0	$487.2	$487.2
2005	6.0%	2.9%	12.7%	N/A	N/A	0.8%	29	$8.6	$0.0	$463.6	$463.6
2004	19.8%	16.3%	23.7%	N/A	N/A	N/A	32	$10.5	$0.0	$388.1	$388.1

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 annual SMA fee of 3.0% (0.25%/month).

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

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

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

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

Disclosures *(cont.)*:

EIC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. EIC has been independently verified for the periods January 1, 1986, through March 31, 2026. 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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