

EQUITY INVESTMENT CORPORATION

Mid-Cap Value

2026 Third Quarter Commentary

October 2026

It was a mixed quarter for stocks. Amid surging interest rates, large-cap stocks proved more resilient than mid- and small-caps. The Russell Top 200® Index gained 3.0%, but the Russell Midcap® Index fell 3.0%, and the Russell 2000® Index declined 7.2%. Our Mid-Cap Value (MCV) SMA composite rose 0.5% on a gross basis while the Russell Midcap® Value Index (RMCV) declined 2.0%. Our outperformance in the quarter was largely attributable to our underweight in the industrials sector and the combination of our stock selection and underweights in the consumer discretionary and utilities sectors.¹

Year to date, the RMCV climbed 15.3%. While our MCV SMA composite increased only 10.2% on a gross basis, it has outperformed the 6.9% return of the RMCV excluding the historically strong 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 September 30, 2026					
	Q3	YTD	1 Year	5 Year	10 Year	SI*
EIC MCV SMA Gross	0.5%	10.2%	12.3%	11.8%	11.6%	10.9%
EIC MCV SMA Net	-0.3%	7.8%	9.0%	8.6%	8.4%	7.7%
Russell Midcap® Value Index	-2.0%	15.3%	16.9%	9.3%	9.9%	9.9%

Table 1 Data Source: Morningstar DirectSM 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.

Investment Environment

Investors navigated heightened market volatility during the third quarter. Bonds suffered steep losses as the yield on 10-year U.S. Treasuries rose 85 basis points to 5.3%, the highest level since 2002.⁴ Bitcoin and oil soared, up 43% and 28%, respectively, while gold advanced 4%.⁵ Among stocks, volatility was evident in the disparate performance of the growth and value styles throughout the quarter. July saw value outperform growth by over 800 basis points as the Artificial Intelligence (AI) trade weakened, exacerbated when the ironically named Situational Awareness LP, a hedge fund holding a leveraged portfolio of perceived AI beneficiaries, was unwound in short and violent order. Value stocks' relative strength continued into August. By month end, our MCV SMA composite had outperformed the RMCV and Russell Midcap® Growth Index quarter to date by approximately 470 and 1,190 basis points, respectively.

From there, the pendulum swung back to growth. As a result, most broad-market indexes finished the quarter with similar returns. Market breadth remained weak, with 64% of the Russell 3000® Index's (R3000) start-of-year index weight underperforming the R3000 this year, near record highs dating back to 1986.⁶ More than half of the stocks in the R3000 are technically in a bear market, trading 20% or more below their 52-week high.⁷

The volatility has largely been a back-and-forth contest pitting AI against seemingly everything else. On a combined basis, cloud hyperscalers, investing heavily in and thus increasingly tying their fortunes to AI, and technology hardware and semiconductor companies selling into that investment now represent more than 40% of the R3000.⁸ Hyperscalers' capital expenditures account for a similar percentage of total R3000

spending, with the share likely to rise in 2027 given their plans for further investment.⁹ In view of the consequential weight of the AI bet, it is no wonder the market continues to flip between AI hopes and fears.

As we follow the AI buildout, we remain concerned about mounting risks. Hyperscaler spending plans continue to rise sharply. Capital expenditures are now estimated at over \$5 trillion over the next five years, with off-balance-sheet partnerships adding, perhaps considerably, to these estimates.¹⁰ This level of investment would render the AI buildout the most significant in U.S. history, larger than railroads in the 19th century and the fiber-optics build of the late 1990s, both of which turned from boom to bust, harming many original entrants before ultimately bearing fruit.¹¹ The scale of this buildout will require the construction of new power capacity equal to six times the electricity consumption of New York City, while public sentiment and regulatory hurdles are slowing and sometimes halting projects across the country.¹²

The buildout is also relying increasingly on external financing. Despite their exceptional operating cash flows, the large hyperscalers are rapidly issuing debt via conventional note offerings and more obscure off-balance-sheet arrangements.¹³ The speed and opacity of financial engineering is causing credit industry participants, who are focused on payback over hype, to ring alarm bells regarding the risks and ultimate security of lending into the AI complex.¹⁴ As a result, credit spreads for many AI-related issuers are wider than their credit ratings would suggest. This trend, when paired with the recent spike in government bond yields, presents yet another potential obstacle to the debt-fueled buildout.¹⁵

Finally, there is considerable uncertainty around demand for AI services. To earn even a modest return on the massive investment, hyperscalers will need to grow revenues significantly faster than any company at size ever has and, on a combined basis, account for as much as 9% of U.S. GDP in 2032.¹⁶ For perspective, that would be twice current spending on computers and software, equivalent to all consumer food spending, or nearly 20% of current labor spending in the country.¹⁷ A curious and dissonant byproduct of this daunting math can be seen in optimistic analyst estimates. Aggregated operating cash flow of all information technology sector constituents plus hyperscalers Alphabet, Amazon, and Meta, which has recently run at about one third of total S&P 500[®] operating cash flow, is expected to exceed the operating cash flow of every other sector combined by 2028, as shown in the chart below.¹⁸ In other words, the economic value of AI's productivity miracle will be captured almost entirely by AI providers and not their paying customers!

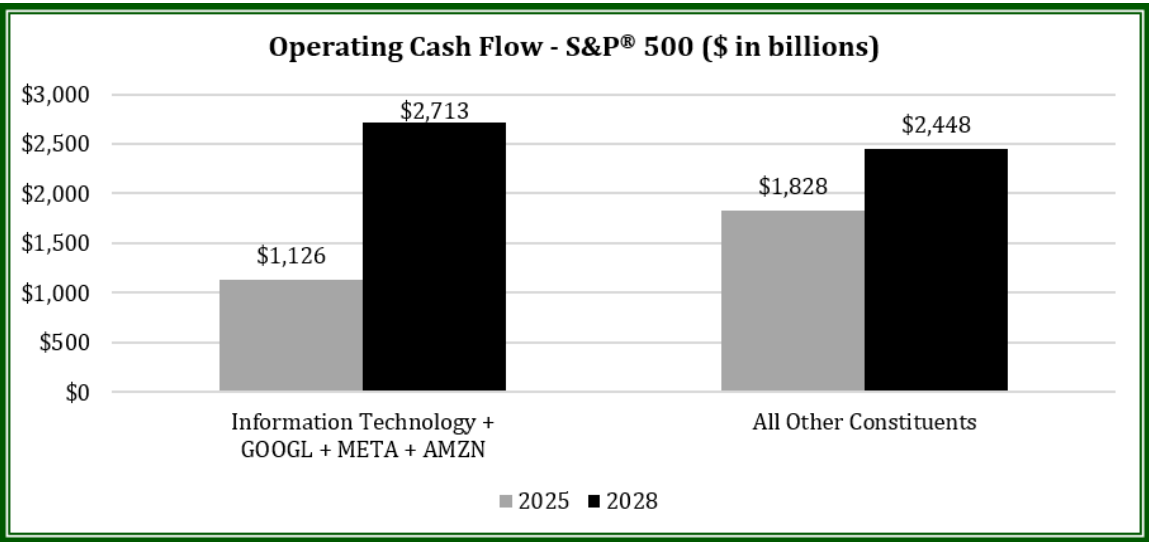


Chart 1 Data Source: S&P Capital IQ^{PRO}. See footnote 19. Charts are provided for illustrative purposes only.

Despite the rosy outlook, insiders at AI-related semiconductor and technology hardware companies are selling their stock on the open market at accelerating rates, with year-to-date sales at \$2.6 billion, up 300%

from three years ago.²⁰ On the hyperscaler front, Oracle's CEO disclosed plans to sell up to \$7.5 billion of shares before canceling his sale for unknown reasons shortly thereafter.²¹

In light of the mounting risks, current trends are troubling, with intense competition and corporate cost consciousness driving down pricing and utilization of models developed by frontier labs such as Anthropic and OpenAI.²² Today, users can access a model with comparable intelligence to Anthropic's leading-edge Claude Fable at a 95% discount to prices charged at the time of the model's launch to consumers just four months ago – a price trend consistent with each groundbreaking model released to date.²³ Frontier labs must continuously innovate, spending huge sums on model training, to capture attractive margins for the fleeting period from model launch to the release of a comparable offering.

Turning to the broader market, index valuations remain extremely elevated, with attendant dim future return prospects.

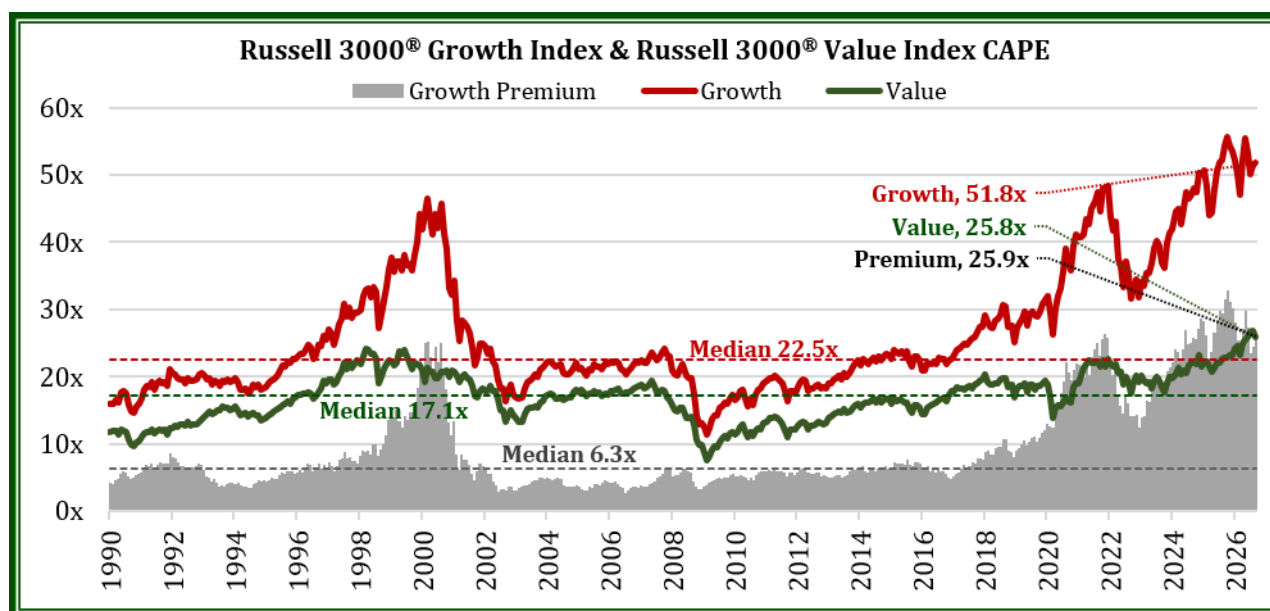


Chart 2 Data Source: S&P Capital IQ^{PRO}. See footnote 24. Charts are provided for illustrative purposes only.

From these levels, growth stocks, where AI-related names represent over 60% of the Russell 3000® Growth Index's weight, are priced based on history to deliver negative returns over the next decade.²⁵ Value stocks, where AI-related names represent 20% of the Russell 3000® Value Index's weight, are priced to deliver only modestly positive returns.²⁶ Fortunately, within the value universe there are wide divergences in valuation, and many stocks are priced to deliver adequate returns. Accordingly, our portfolios remain heavily focused on the less expensive segments of the value universe and currently trade at wide discounts to their benchmarks.

Portfolio Review²⁷

We sold two stocks during the quarter, Jones Lang LaSalle and Paycom Software, both on valuation. Paycom, which posted a total return of more than 70% in the quarter, is a good example of the manic swings in market sentiment in the current environment. We started buying shares in June in the midst of another risk-off cycle where investors sold software stocks on AI-replacement fears. Before we were able to acquire a position in all client accounts, shares climbed sharply higher in early July and never returned to a level at which we felt protected by a sufficient margin of safety. By early August, concerns of competitive displacement had abated, aided in part by a strong earnings report, and we exited the position.

While we purchased no new stocks during the quarter, we completed several adds to and trims of existing positions. The net result of our activity was a modest increase in cash to 9.5% from 7.4%.²⁸ As a reminder, cash is a residual of our stock selection process and not a tactical decision. Our preference is to be fully invested, subject to value, quality, and diversification criteria.

Currently, our largest sector overweight relative to the RMCV is in consumer staples, where nearly a quarter of portfolios is invested.²⁹ Our largest underweights are in industrials, where we own one stock, and information technology, where we do not own any stocks.

In today's risk-on environment, we are increasingly finding value in less economically sensitive stocks, and, as a result, a historically high 47% of portfolios is invested there.³⁰ At quarter end, our portfolios traded at 14.5x trailing and 11.6x forward earnings, with an average return on equity of 15.6%, an average underlying credit rating of BBB+, and a 3.1% dividend yield.³¹

Our valuation-driven, quality-focused investment approach has produced a distinct pattern of returns. We tend to have our best relative results in flat and down markets and those led by higher-quality stocks. Conversely, we tend to have our worst relative results in speculative markets, especially when low-quality stocks are market leaders. Over our long history, the net result has been attractive full-cycle returns with below-market risk.

By carefully applying this approach, we build portfolios that diverge significantly from market indexes. Amid today's extreme risk-on environment, our returns have never been less correlated with those of market indexes, as shown in the chart below.

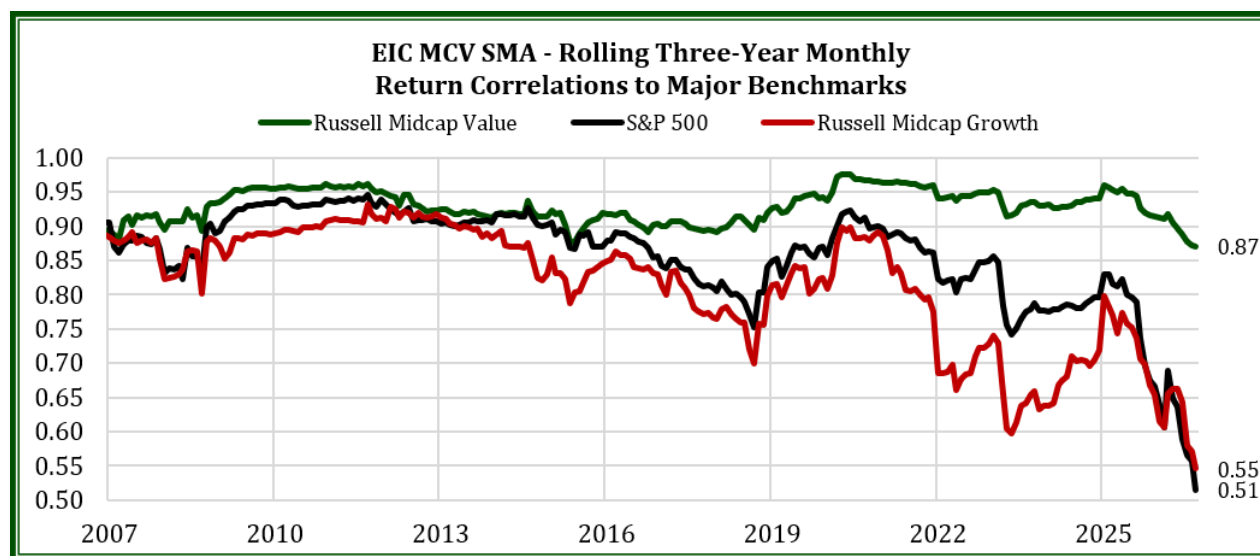


Chart 3 Data Source: Morningstar DirectSM. See footnote 32. Charts are provided for illustrative purposes only.

The future remains uncertain. AI's trajectory is anyone's guess. We still don't know which models will dominate, how they will be monetized, what the returns will look like, or how long growth can last. Worse, mounting vulnerabilities threaten to derail even the most bullish outlooks. Yet, instead of pulling back, capital expenditures continue to surge, and current valuations leave little room for error.

History reminds us that periods of rapid growth are rarely permanent. Unforeseen obstacles often force a reassessment of a fast-growing company's fundamentals. High valuations on current earnings are particularly sensitive to these shifts – a vulnerability demonstrated by many market leaders over the past half decade. Ultimately, a conservative approach to valuation, driven by realistic appraisals of significant inputs, has served our clients well. We believe it will continue to do so, as human nature remains unchanged in its tendency to swing from extreme optimism to deep pessimism.

Please listen to our upcoming investment presentation for more details on the current market environment and our positioning. As always, thank you for your partnership with EIC.

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Disclosures

¹ Data Source: Morningstar DirectSM. Performance attribution for EIC MCV representative portfolio versus Russell Midcap Value Index for the three months ended September 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 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 September 30, 2026. Members of the semiconductors & semiconductor equipment and technology hardware & equipment industry groups determined according to the Global Industry Classification Standard ("GICS"). Please see last quarter's commentary for more detail.

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 Board of Governors of the Federal Reserve System (US), Market Yield on U.S. Treasury Securities at 10-Year Constant Maturity, Quoted on an Investment Basis [DGS10], Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/DGS10>, October 9, 2026.

⁵ Data Source: S&P Capital IQ^{PRO}.

⁶ Data Source: S&P Capital IQ^{PRO}. Aggregate start-of-year index weights of Russell 3000[®] Index constituents whose return underperformed the Russell 3000[®] Index return for each annual (or in the case of 2026, year to date through September 30) period since 1986.

⁷ Data Source: S&P Capital IQ^{PRO}.

⁸ Data Source: S&P Capital IQ^{PRO}. Reflects index weights of cloud hyperscalers (Microsoft, Amazon, Alphabet, Meta Platforms, Oracle, SpaceX) and members of the semiconductors & semiconductor equipment and technology hardware & equipment industry groups, both determined according to GICS, in the Russell 3000[®] Index as of September 30, 2026.

⁹ Data Source: S&P Capital IQ^{PRO}. Reflects aggregate calendar year estimated capital expenditures for Alphabet, Amazon, Meta Platforms, Microsoft, Oracle, and SpaceX for 2026 as a percentage of estimated capital expenditures for all constituents of the Russell 3000[®] Index.

¹⁰ Data Source: S&P Capital IQ^{PRO}. Reflects aggregate calendar year estimated capital expenditures for Alphabet, Amazon, Meta Platforms, Microsoft, Oracle, and SpaceX from 2026 through 2030 as of September 30, 2026.

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¹¹ Putzier, Konrad and Lahart, Justin. "The AI Build-Out Is Becoming the Biggest Economic Bet in U.S. History." *The Wall Street Journal*. September 23, 2026. <https://www.wsj.com/economy/the-ai-build-out-is-becoming-the-biggest-economic-bet-in-u-s-history-c60716dd>.

¹² Elder, Bryce. "US data centres 'are short six NYCs of electricity'." *Financial Times*. September 21, 2026. <https://www.ft.com/content/f29de45a-3d32-4d9f-90cd-615f7466c1de>.

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¹³ Nangle, Toby. "Are credit rating agencies getting fed up with hyperscalers?" *Financial Times*. September 4, 2026. <https://www.ft.com/content/623c286b-c973-4488-83f3-97e9016e85f6>.

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¹⁴ "House of Cards." Ares Alternative Credit Newsletter. September 22, 2026. https://www.ares.com/content/dam/aresmgmt/Documents/In-the-Gaps/Ares_InTheGaps_House-of-Cards.pdf.

¹⁵ Reinecke, Carmen. "Wall Street's AI Party Is on Edge as Soaring Yields Raise Risks." Bloomberg. October 4, 2026. <https://www.bloomberg.com/news/articles/2026-10-04/wall-street-s-ai-party-is-on-edge-as-soaring-yields-raise-risks>.

¹⁶ Mauboussin, Michael J. and Callahan, Dan. "The Base Rate Book." Credit Suisse. September 26, 2016. <https://mjbaldard.wordpress.com/wp-content/uploads/2020/09/michael-mauboussin-e28093-base-rate-books-2015-2016.pdf>.

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¹⁷ Ip, Greg. "Will America Spend 9% of Its GDP on AI? The Industry Is Counting on It." The Wall Street Journal. October 2, 2026. <https://www.wsj.com/tech/ai/will-america-spend-9-of-its-gdp-on-ai-the-industry-is-counting-on-it-3501bb4f>.

¹⁸ Data Source: Capital IQ^{PRO}. Calendar year actual operating cash flow for S&P 500[®] Index constituents for the period from 2024 to 2025 and calendar year estimated operating cash flow for S&P 500[®] Index constituents for the period from 2026 to 2028.

¹⁹ Data Source: Capital IQ^{PRO}. Calendar year actual operating cash flow for S&P 500[®] Index constituents for 2025 and calendar year estimated operating cash flow for 2028.

²⁰ Data Source: BamSEC. Includes insiders' open market sales of common stock at NVDA, MPWR, AMAT, AVGO, DELL, TXN, AAPL, MU, ADI, LRCX, AMD, WDC, SNDK, MRVL, KLAC, QCOM, and INTC for the period from January 1, 2021 to September 30, 2026.

²¹ Rosner-Uddin, Rafe. "Larry Ellison cancels \$7.5bn Oracle share sale." Financial Times. September 12, 2026. <https://www.ft.com/content/05e61eb8-9273-4b9a-a356-47f525b7d506?syn-25a6b1a6=1>.

²² "China's AI Blitz Creates 'Death Zone' for Rival US Model Makers." Bloomberg. August 4, 2026. <https://www.bloomberg.com/news/articles/2026-08-04/china-s-ai-blitz-creates-death-zone-for-rival-us-model-makers>.

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²³ Data Source: Artificial Analysis. Prices quoted on a cost per task basis and not headline token pricing.

²⁴ 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, 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.

²⁵ Data Source: S&P Capital IQ^{PRO}. Reflects constituent weights of cloud hyperscalers (Microsoft, Amazon, Alphabet, Meta Platforms, Oracle, SpaceX) and members of the semiconductors & semiconductor equipment and technology hardware & equipment industry groups, both determined according to GICS, as of September 30, 2026.

²⁶ Data Source: S&P Capital IQ^{PRO}. Reflects constituent weights of cloud hyperscalers (Microsoft, Amazon, Alphabet, Meta Platforms, Oracle, SpaceX) and members of the semiconductors & semiconductor equipment and technology hardware & equipment industry groups, both determined according to GICS, as of September 30, 2026.

²⁷ 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.

²⁸ Data Source: Morningstar DirectSM. Includes cash and short-term bond holdings for EIC MCV representative portfolio for the months ended June 30, 2026 and September 30, 2026. Individual portfolio sector weights may vary from that of the representative portfolio.

²⁹ Data Source: Morningstar DirectSM. GICS sector weights for EIC MCV representative portfolio for the month ended September 30, 2026. Individual portfolio sector weights may vary from that of the representative portfolio.

³⁰ Data Source: Morningstar DirectSM. Less economically sensitive stocks include companies in the communication services, consumer staples, healthcare, utilities, and telecommunication sectors according to GICS for the EIC MCV representative portfolio. Cash and other short-term vehicles excluded.

³¹ Data Source: Morningstar DirectSM as of September 30, 2026. Weighted average trailing twelve-month P/E ratio, forward P/E ratio, and return on equity 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 September 30, 2026, and not the portfolios itself. 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.

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

³² Correlation of monthly returns of MCV SMA composite 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 September 30, 2026.

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Equity Investment Corporation

Mid-Cap Value SMA Composite Report

Year Ended Dec - 31	Gross* Rate of Return ¹	Assumed 3% Annual Fee Net Rate of Return ¹	Benchmark Return of Russell Midcap® Value Index	Advisory-Only (UMA) and Managed Assets							
				Composite 3-Yr St Dev	Benchmark 3-Yr St Dev	Dispersion ² of Annual Returns (St Dev)	Number of Portfolios	Composite Assets (\$ Millions)	UMA Assets ³ (\$ Millions)	GIPS® Firm Assets (\$ Millions)	Total Assets ³ (\$ Millions)
2026 (through 9/30)	10.2%	7.8%	15.3%	13.4%	14.2%	1.2%	12	\$6.1	\$5,060.5	\$3,778.5	\$8,839.0
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

	Annualized		
	Gross Rate of Return ¹	Assumed 3% Annual Fee Net Rate of Return ¹	Benchmark Return of Russell Midcap® Value Index
As of 9/30/2026			
1 Year	12.3%	9.0%	16.9%
5 Year	11.8%	8.6%	9.3%
10 Year	11.6%	8.4%	9.9%
Since Inception**	10.9%	7.7%	9.9%

** Inception Date: January 1, 2004

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 “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.

Composite Description:

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. 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).

Equity Investment Corporation

Mid-Cap Value SMA Composite Report

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 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.

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, 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).

London Stock Exchange Group plc ("LSE Group") is the source and owner of FTSE Russell index data. FTSE Russell is a trading name of certain of the LSE Group companies. "Russell®" is a trade mark of the relevant LSE Group companies and is used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication. FTSE Russell Index information is sourced via S&P Capital IQ^{PRO}.

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