EQUITY INVESTMENT CORPORATION

Mid-Cap Value

2024 Year-End Commentary

January 2025

Stocks were mixed in the fourth quarter. The Russell Midcap® Value Index (RMCV) fell 1.7%, but our Mid-Cap Value (MCV) SMA composite gained 1.2% on a gross basis. Our outperformance versus the RMCV was attributable primarily to our overweight in financials and stock selection in the healthcare and consumer discretionary sectors.

For the full year, stocks posted strong gains. The RMCV increased 13.1%, and our MCV SMA composite gained 11.6% on a gross basis. Our shortfall versus the RMCV was attributable primarily to our stock selection in the financials sector.[1] Longer term, we remain ahead of our benchmark on a gross basis, as shown below.

For the periods ended December 31, 2024	Q4	1 Year	3 Year	5 Year	10 Year	SI*
EIC MCV SMA Gross	1.2%	11.6%	9.1%	11.8%	9.6%	10.6%
EIC MCV SMA Net	0.4%	8.3%	5.9%	8.5%	6.3%	7.4%
Russell Midcap® Value Index	-1.7%	13.1%	3.9%	8.6%	8.1%	9.4%

*Table 1 Data Source: Morningstar Direct℠. *Since Inception (SI): January 1, 2004. Returns for periods greater than one year are annualized. Past performance does not guarantee future results. See footnote 2.*

Investment Environment

Investor excitement for Artificial Intelligence (AI) and election-fueled optimism for tax and regulatory reform continue to boost equities. Signs of exuberance in risk assets in general, and the US in particular, are abundant:

- The US now accounts for nearly 70% of the market value of the MSCI All-Country World Index, up from 30% in the 1980s, while its share of the global economy is only 27%.[3]
- AI stocks have attracted cult-like followings, and options activity is once again setting records.[4]
- MicroStrategy Inc., a constituent in the Russell 3000® Value Index, trades at more than twice the underlying market value of its bitcoin assets, reminiscent of the irrational exuberance in the dot-com era.[5]
- Cryptocurrency is back in favor, with bitcoin topping $100,000 and newly created, crudely named, and functionally useless memecoins commanding nearly billion-dollar valuations.[6]
- Variations of “it's different this time" are making the rounds.[7]

Growth stocks trade at all-time high valuations, surpassing the peak of the dot-com bubble, as shown in the following chart. From these lofty levels, history suggests return prospects are dim.

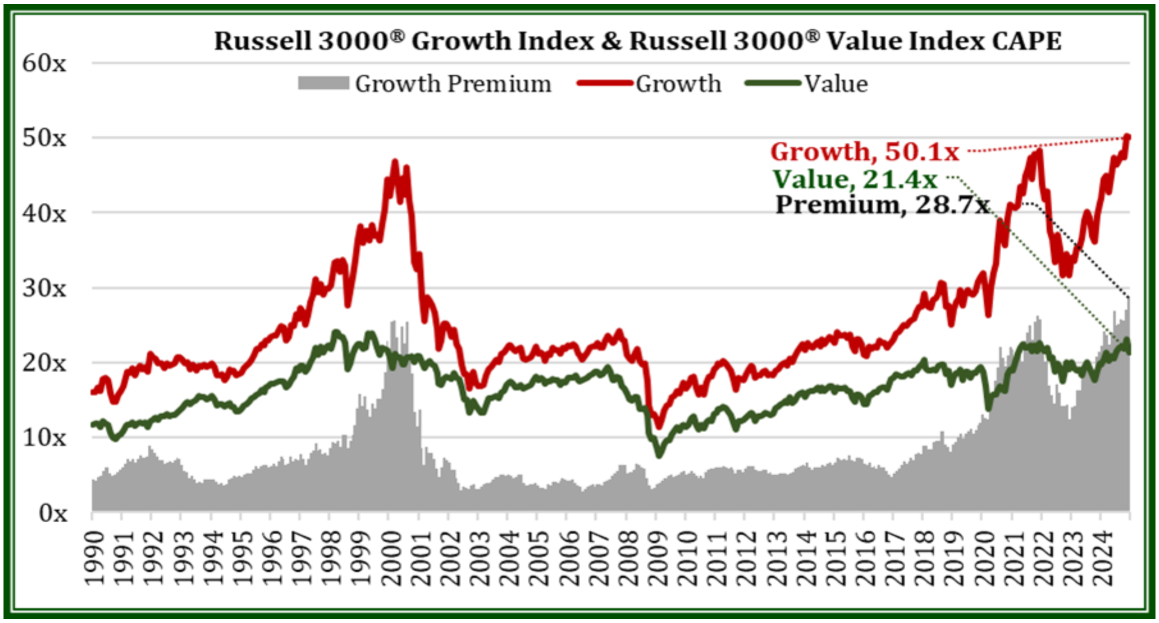

Chart 1 Data Source: S&P Capital IQ[PRO]. See footnote 8. Charts are provided for illustrative purposes only.

Simply put, bullishness abounds, and FOMO (fear of missing out) is triggering a crippling cycle of impulsive "investing" decisions. Investor behavior was similar at the peak of the COVID-fueled surge in growth stocks in 2021, which was followed by a vicious correction in 2022 that sent the Russell 3000® Growth Index (R3000G) down nearly 29%. Even with subsequent gains of 41% and 32% in 2023 and 2024, the R3000G's three-year ***cumulative*** return is only 32.9%, just slightly ahead of our MCV SMA composite gain of 29.7%.[9] Such is the peril of elevated valuations and the harsh math of negative returns.

Ironically, many of the COVID darlings trade well below their all-time highs.[10] The market has instead become increasingly concentrated, driven by the performance of a handful of mega-cap stocks. In fact, over 70% of the ***cumulative*** return for the R3000G over the last three years is attributable to the "Magnificent Seven". Excluding these stocks, the rest of the R3000G has ***cumulatively*** contributed less than 10% to the index's return over the same period.[11] To paraphrase Winston Churchill, "Never has so much been owed by so many to so few."[12]

The Magnificent Seven are a collection of compelling businesses, several of which we have owned in our All-Cap and Large-Cap portfolios in the past at lower valuations. However, they are now expensive, trading on a combined basis at 32x forward earnings — nearly double their level of ten years ago — and represent over 53% of the R3000G's weight.[13] Moreover, their valuations are powered by near-peak operating margins, so headline valuations understate their richness.[14] At their current size and valuations, history suggests they collectively have poor prospects for earning reasonable long-term returns.

The recent gains posted by the Magnificent Seven have been largely fueled by AI optimism, yet here, the outlook is anything but certain. The only current fundamental AI winner among them is NVIDIA, and it remains unclear how long that will persist. Several of NVIDIA's largest clients — cloud computing giants like Microsoft, Amazon, and Alphabet — are looking to make their own chips.[15] Meanwhile, end-market profits remain elusive, and the cloud computing giants have resorted to accounting games to boost profitability.[16]

Amid all the pervasive bullishness, behind-the-scenes anecdotes point to growing undercurrents of caution and pessimism:

- Insiders are selling stock at record rates, and executives are departing in record numbers.[17]
- Higher interest rates are weighing on segments of the market, with private equity transactions stagnating and auto-loan delinquencies soaring.[18]
- Inflation remains stubbornly elevated, tempering the outlook for rate cuts.[19]
- Though the yield curve is now positively sloped, it was inverted for more than two years. Reversals of inversions have typically preceded recessions by 6 to 9 months.[20]

Regarding potential reforms, investors may be overly optimistic. The investment environment when President Trump took office in 2017 was more favorable than today — inflation and the federal deficit were lower; corporate tax rates were higher, providing room for cuts; and, the market was significantly less expensive, trading at roughly 18–19x forward earnings.[21] In short, there was more leeway to make meaningful policy changes ***and*** have the market react positively to them.

In summary, growth stocks remain richly priced, and returns have been concentrated in a handful of mega-cap names and AI beneficiaries. Investors have increasingly been driven by FOMO and AI enthusiasm. While past results have been strong, the market ultimately reflects the future, which is, as always, uncertain. Currently, growth stocks demand incredibly rosy outcomes to justify their valuations, and there is simply no margin of safety in the growth universe today. On the other hand, value stocks are more reasonably priced and include pockets of attractive opportunities. Accordingly, our portfolios continue to be heavily weighted to value stocks.

Portfolio Review[22]

During the quarter, we acquired two new positions, Baxter International and Genuine Parts Company.

We purchased a 3.0% position in Baxter International Inc. (BAX), a stock we have previously owned. Baxter's business mix has evolved since our prior holding period due to its acquisition of Hill-Rom (hospital beds and patient mobility/monitoring products), the sale of its contract pharmaceuticals manufacturing business, and the pending sale of its kidney dialysis business. On a go-forward basis, the company will generate about half of its revenue from medical products and therapies (IV solutions and infusion systems), with the remainder split between pharmaceuticals and Hill-Rom. The stock has performed poorly over the past few years, declining 50% since BAX completed its high-priced, debt-funded acquisition of Hill-Rom in December 2021. Baxter has since divested business units to focus on strengthening its balance sheet and operating the core business more efficiently. We believe BAX has attractive characteristics, with leading positions in stable and growing end markets. Shares are also attractively valued relative to history at a mid-teen multiple of our normalized earnings estimate.

We acquired a 2% position in Genuine Parts Company (GPC), a leading distributor of parts, accessories, and solutions to automotive and industrial customers. Profits are split roughly evenly between the auto and industrial businesses. Automotive operations are conducted primarily under the NAPA brand, which competes with national brand retailers (e.g., Advance Auto Parts, AutoZone, and O'Reilly Auto Parts) and private independent shops. GPC's automotive operating model skews heavily toward the historically higher-growth commercial repair segment instead of retail DIY. Further, GPC functions more as a pure distributor of NAPA-branded auto parts as it only owns and operates 30% of its ~10,000 stores. Industrial operations, conducted under the Motion Industries brand, boast a leading share in the distribution of "bearings, belts, and hoses", largely for US manufacturers' mission-critical equipment. Motion has a similarly long history of solid organic growth, but demand is currently weak during the economy's longest manufacturing contraction cycle in 30+ years. GPC has a long history of generating high rates of return on invested capital, and shares are attractively valued relative to its history and peers at 14x our estimate of normalized earnings.

We also completed a few additional trades during the quarter. Based on valuation, we sold Fidelity National Information Services and Gildan Activewear, trimmed positions in Ingredion and Williams Companies, and added to positions in Coterra Energy and PPG Industries.

As shown in the chart below, our most significant overweights remain in the financials and consumer staples sectors. Many stocks in these sectors are inexpensive, have quality characteristics, and have reasonable growth prospects. During the year, one of the largest changes to our sector allocations occurred in healthcare, where we moved from an underweight position to an overweight one after purchasing three new stocks (Patterson Companies, Zimmer Biomet Holdings, and Baxter International) and adding to an existing holding (Smith & Nephew). As always, this was not a top-down decision. Rather, we continue to evaluate each stock on a fundamental, bottom-up basis.

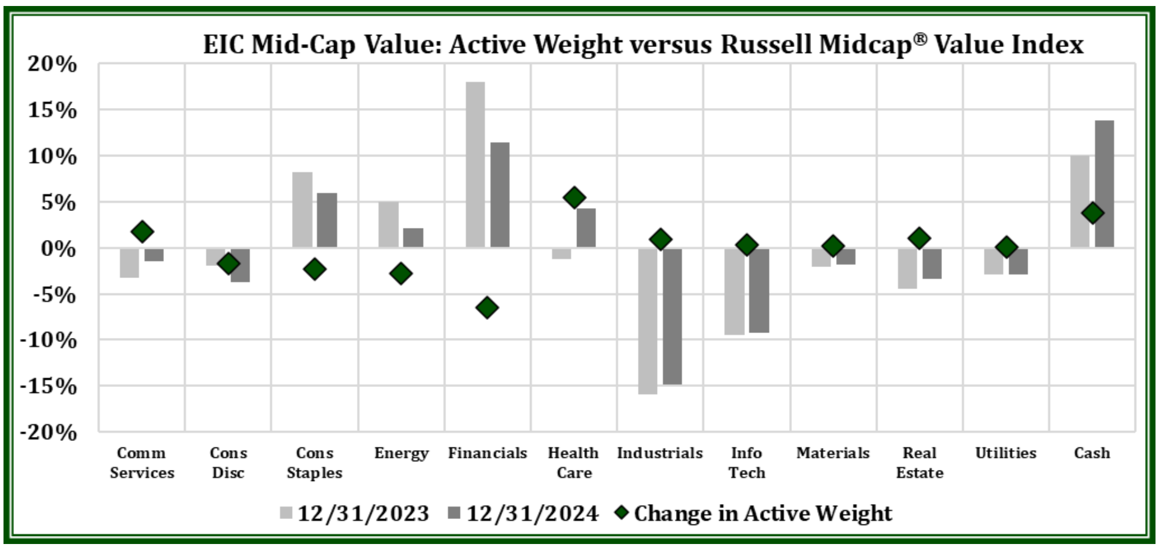

Chart 2 Data Source: Morningstar Direct[SM]. See footnote 23. Charts are provided for illustrative purposes only.

Over our long history, our investment objective has remained the same — maximizing our clients' odds of success by purchasing quality companies at reasonable prices. However, the stocks meeting our investment criteria have changed significantly over time, as shown in the next chart. Almost thirteen years ago, after the financial crisis of 2008-2009, growth stocks were near their valuation bottom. Many were attractively priced, and we invested 35% of the MCV portfolio in stocks classified as growth, with 32% in value names. Back then, our portfolio was reasonably priced but traded at a modest ***premium*** to the RMCV. Today, value stocks account for 70% of the MCV portfolio, and at year-end, we held only two growth stocks, a 2% position in Expedia and a 2.5% position in White Mountains Insurance Group. As a result, our portfolio currently trades at roughly an 18% ***discount*** to the RMCV.[24]

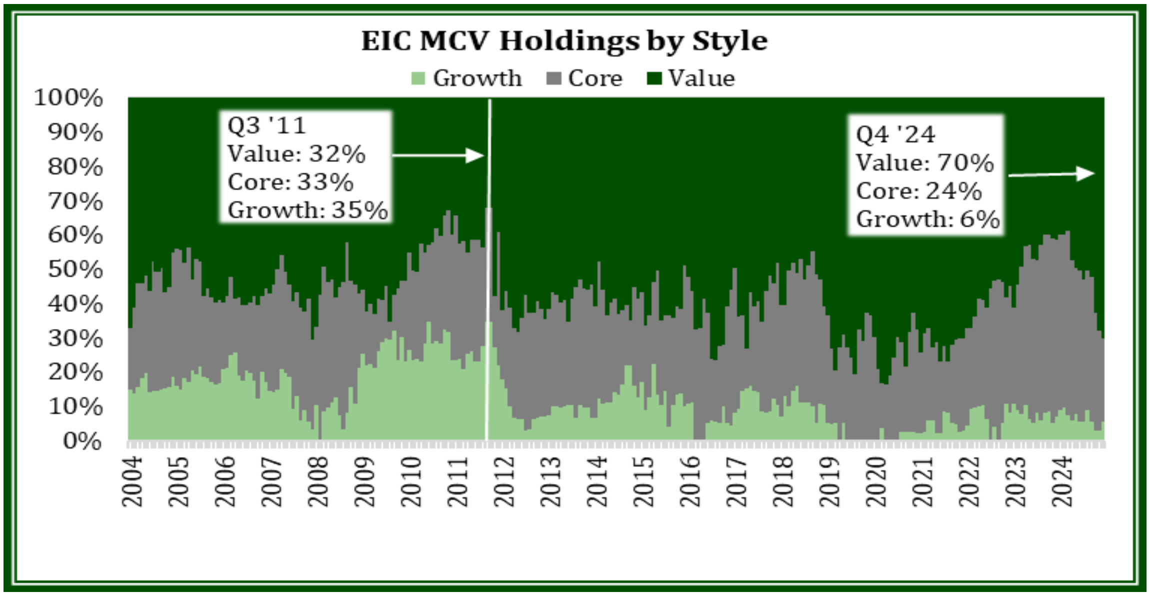

Chart 4 Data Source: Morningstar Direct SM. See footnote 25. Charts are provided for illustrative purposes only.

We believe our portfolio is broadly diversified and positioned to perform well across a range of economic outcomes. Roughly half of our holdings have cyclical exposure, while the balance has less economic sensitivity.[26] At year-end, our portfolio traded at about 12x forward earnings, a substantial discount to the RMCV. Nonetheless, we have ***not*** sacrificed quality, as the weighted average return on equity of our portfolio is 13%, and the estimated weighted average credit rating is BBB. Moreover, though dividend yield is a byproduct of our stock selection process, our portfolio currently yields a little above 3%.[27] In an investment environment characterized by excessive optimism, attendant excessive valuations, and the dismal forward prospects those entail, we believe our portfolio remains attractively priced and has good odds of earning reasonable returns.

Organizational Update

We are pleased to announce that Bo Ladyman and Tom Knapp have become shareholders of EIC, effective January 1, 2025. As a result, all five of our portfolio managers are now owners of our business. Bo and Tom have been invaluable members of our investment team, and we welcome them as partners. As we enter 2025, broadening our ownership positions us for the future, and we remain confident in our ability to meet our ongoing responsibilities to the clients and advisors we serve.

As always, we thank you for your interest. We look forward to continuing our partnership in the year ahead.

Investment Team

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

Robert Ladyman, CFA   Thomas Knapp, CFA

Please see disclosures on the following pages.

Disclosures

[1] Data Source: Morningstar Direct℠. Performance attribution for EIC MCV representative portfolio versus Russell Midcap Value Index, for the quarter and year ended December 31, 2024. Individual portfolio sector weights may vary from that of the representative portfolios.

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

[2] Gross returns for EIC SMA composites are "pure" gross returns, do not reflect the deduction of any expenses, including trading costs, and are presented as supplemental information to the GIPS® Composite Reports, which are considered an integral part of this commentary. Net returns are calculated by reducing gross returns with an assumed maximum annual SMA fee of 3.0%, applied monthly. SMA fees include transaction costs, portfolio management, custody, and other administrative fees. Platform sponsor fees may vary. SMA fee schedules are provided by independent SMA platform sponsors and are available upon request from the individual sponsor. All returns include reinvestment of dividends and interest. Indexes are unmanaged, do not incur management fees, costs, or expenses, and cannot be invested in directly. Performance data is historical. Current performance may be lower or higher than the performance quoted. Individual client portfolio results may vary. Investing involves risk including possible loss of principal.

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[4] Banerji, Gunjan and Ensign, Rachel Louise and Li, Jasmine. “The Investing Cult Fueling MicroStrategy’s Ascent: ‘Have Fun Staying Poor’.” The Wall Street Journal. December 22, 2024. https://www.wsj.com/finance/stocks/microstrategy-growth-investor-community-7c6efd7c.

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[6] Wile, Rob. “Memecoins like Fartcoin are riding Trump’s victory to huge valuations. Experts say it may have only begun.” NBC News. December 16, 2024. https://www.nbcnews.com/business/personal-finance/memecoins-what-are-they-why-are-they-popular-crypto currency-rcna184223.

[7] Wigglesworth, Robin. “Bears are dropping like flies.” Financial Times. December 6, 2024. https://www.ft.com/content/ddb483f5-5d7c-464f-86ba-2acabcf23867.

[8] 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 December 31, 2024. 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.

[9] Data Source: Morningstar Direct℠. Annual and cumulative performance for Russell 3000 Growth Index and MCV SMA Composite for the three years ended December 31, 2024.

[10] Examples are ARKK, MRNA, PFE, PTON, RBLX, SHOP, SQ, SPCX, W, and ZM.

[11] Data Source: Morningstar Direct℠. Performance attribution for Russell 3000 Growth Index for the three years ended December 31, 2024. Magnificent Seven mega-cap companies are Apple, Microsoft, Alphabet, Amazon, Tesla, Meta Platforms, and NVIDIA.

[12] UK Parliament. House of Commons, War Situation, The Prime Minister, 20 August 1940. Hansard, 5th Series, Volume 364, cc 1167. https://www.parliament.uk/about/living-heritage/transformingsociety/private-lives/yourcountry/collections/churchillexhibition/churchill-the-orator/human-conflict/conflict2/.

[13] Data Source: S&P Capital IQ^PRO^. Forward P/E multiple reflects the aggregated index-weighted price to index-weighted earnings of each Magnificent Seven company from January 1, 2007 through December 31, 2024.

Multiple share class listings were combined into one weight for each Magnificent Seven company at each month-end from January 1, 2007 through December 31, 2024.

[14] Data Source: S&P Capital IQ^PRO^. Aggregated forward 12-month operating profit as a percentage of the aggregated forward 12-month revenue for the Magnificent Seven companies for each month-end from June 30, 2005 through December 31, 2024.

[15] Acton, Michael and Bradshaw, Tim. “Amazon steps up effort to build AI chips that can rival Nvidia.” Financial Times. November 13, 2024. https://www.ft.com/content/3d9b5c6d-f1ae-4f6f-adc3-51e5f1dfb008.

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[19] "The Federal Reserve takes on Trump—and stubborn inflation." The Economist. December 12, 2024. https://www.economist.com/finance-and-economics/2024/12/12/the-federal-reserve-takes-on-trump-and-stubborn-inflation.

[20] "10-Year Treasury Constant Maturity Minus 3-Month Treasury Constant Maturity (T10Y3M)." Federal Reserve Bank of St. Louis. January 15, 2025. https://fred.stlouisfed.org/series/T10Y3M.

[21] Data Source: S&P Capital IQ^PRO^. Daily forward price-to-earnings of the Russell 3000 Index for each month-end January 1, 2015 through December 31, 2024.

[22] 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.

[23] Active weights based on absolute sector weights relative to the Russell Midcap Value Index for EIC MCV representative portfolio on December 31, 2023 and 2024. Individual portfolio sector weights may vary from that of the representative portfolios.

[24] Data Source:Morningstar Direct℠. Valuation for MCV SMA Composite and Russell Midcap Value Index based on Price to TTM earnings for quarter-end September 30, 2011 and December 31, 2024.

[25] Percentage of equity portfolio holdings grouped into value, growth and core categories as defined by Morningstar for EIC MCV representative portfolios for each month-end from January 31, 2004 through December 31, 2024. Individual portfolio style weights may vary from that of the representative portfolios.

[26] Cyclical sectors are defined as Consumer Discretionary, Energy, Financials, Industrials, Information Technology, and Materials.

[27] Data Source: Morningstar Direct℠ as of December 31, 2024. Weighted average forward P/E Ratio, and trailing twelve-month return on equity for EIC MCV representative portfolio, as calculated by Morningstar.

Data Source: APL Systems as of December 31, 2024. Dividend yield for EIC MCV representative portfolio.

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 December 31, 2024, and not the portfolios themselves. 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.

Equity Investment Corporation
Mid-Cap Value SMA Composite Report

As of 12/31/2024	1 Year	5 Year (annualized)	10 Year (annualized)	Since Inception** (annualized)
Gross Rate of Return[1] (Supplemental)	11.6%	11.8%	9.6%	10.6%
Assumed 3% Annual Fee Net Rate of Return[1]	8.3%	8.5%	6.3%	7.4%
Benchmark Return of Russell Midcap® Value Index	13.1%	8.6%	8.1%	9.4%

Table Notes:
[1] Gross returns, presented as supplemental information, are "pure" gross and do not reflect the deduction of any expenses, including trading costs, for SMA accounts. Net returns are calculated by reducing gross returns with an assumed 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

									Advisory-Only (UMA) and Managed Assets		
Year Ended Dec - 31	Gross* Rate of Return[1] (Supplemental)	Assumed 3% Annual Fee Net Rate of Return[1]	Benchmark Return of Russell 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)	UMA Assets[3] ($ Millions) (Supplemental)	GIPS® Firm Assets ($ Millions)	Total Assets[3] ($ Millions) (Supplemental)
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.

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.

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 September 30, 2024. 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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