

EQUITY INVESTMENT CORPORATION

Important Message from Jim Barksdale

March 2016

I have been asked to be Georgia's Democratic candidate in this year's U.S. Senate election, and given my concerns about today's economic realities, I felt I had to accept. However, as the campaign begins to unfold, I want to assure you that if I did not believe EIC could meet its obligations to you and to our mutual clients, I would not have accepted. Our responsibility to all who have put their trust in us (colleagues, mutual clients, and platforms we serve) is paramount. My leadership in determining overall firm direction and my role on the investment team during the campaign will remain largely unchanged.

When I founded EIC back in 1986, it was a one-man show, with me handling all investment management responsibilities and also running the business. Soon, it was more than one person could handle, and in 1989, I hired Joyce Michels, who still serves as Operations and Compliance Manager today. Andrew Bruner became the second member of our investment team in 1999. Since then, we have successfully built out the various parts of our business – investment, trading, compliance, operations, sales, client service, and distribution. Our focus has been on hiring capable and conscientious people consistent with our company culture and have thus experienced unusually low employee turnover over the years. For example, the “newest” member of our investment team joined in 2005. In 2013 I was able to transition management of the business' distribution function to Paul Power, which further freed up significant portions of my time. Now, the remainders of my non-investment-related business functions have been reassigned to senior EIC personnel. We've come a long way, and I am especially proud of how we've staffed our company. I have complete confidence in our entire 29-person team.

Focusing on the investment side of the business, the investment process I developed 30 years ago matured into one that is team-driven. Andrew Bruner, Terry Irrgang, and Ian Zabor have progressively taken on larger roles within the investment team. That's particularly true of the investment research function, where Andrew and Ian perform the heavy lifting, spending virtually all of their time on company-specific fundamental research. Consistent with my usual investment team responsibilities, I will continue to be well read on the market environment, review companies using the analytical models I developed in the 1990s, and be involved with buy/sell decisions as needed, working hand in hand with Andrew as Director of Research, as has been our internal practice for years.

As always, thank you for entrusting all of us at EIC to manage a portion of your clients' assets. We're grateful for the opportunity and appreciate your continued support.

– Jim Barksdale