HAMLIN
CAPITAL MANAGEMENT, LLC

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Q2 2021 Quarterly Newsletter

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Overview

Hamlin equity accounts increased approximately 6.06% over the last three months as investors reacted favorably to strong Q1 earnings reports and optimistic outlooks related to a re-opening economy. Our municipal bond portfolios increased in value, benefiting from both lower Treasury yields and concern over proposed income tax rate increases.

We are returning to a "question and answer" format for the summer-time newsletter. We have tried to answer the questions posed most frequently by our clients and business partners over the last few months.

Performance

Equity Performance

The Hamlin Equity Composite increased 6.06% during the second quarter, slightly lagging the S&P 500 Index's 8.55% return.[1] The Russell 1000 Value Index ETF ("IWD") and the Dow Jones U.S. Select Dividend Index ETF ("DVY") returned 5.05% and 3.05%, respectively, for the quarter. We are pleased with our 19.30% year-to-date return, relative to the Russell 1000 Value Index ETF's 16.91% and S&P 500 Index's 15.25% advances. The DVY, up 23.29%, remains ahead of Hamlin so far in 2021 primarily due to its larger weighting in the strong-performing financial sector.

Steel Dynamics, Old Republic, Interpublic Group, KeyCorp, and Snap-On have been leading the charge in 2021. These stocks are up 27-63% year-to-date.[2] While each business is experiencing favorable company-specific developments, their revenues generally benefit from accelerating economic activity. Proctor & Gamble, Store Capital, Public Service Enterprise Group, Johnson & Johnson, and AbbVie have lagged so far this year. This mostly defensive list of companies, whose earnings growth does not generally inflect exiting a recession, have returned between -2% and positive 8% year-to-date.[3]

As stock market volatility returns, we hope that you find comfort in knowing that Hamlin stocks generally pay a compensatory and growing cash return. We believe that our holdings are managed by executives who demonstrate a commitment to increase future dividend payments. We are investing in businesses with high dividend yields, manageable debt, attractive returns on equity, and ample free cash flow-to-dividend coverage ratios. *We are happy to report that 19 of Hamlin's holdings have announced dividend hikes so far this year, with an average year-over-year boost of 8.7%.* This welcome action validates our research analysis, increases your portfolio cash flow, and reminds us that your dividend stream is not fixed. We aim to construct a quality portfolio with high current income. Our goal is to preserve client capital, while protecting against inflation with future dividend increases and long-term capital appreciation.

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[1] The performance provided is a preliminary estimate as Q2 performance has not yet been examined by ACA Performance Services and may be subject to change. Individual accounts may vary.

[2] Year-to-date as of 6/30/21: Steel Dynamics (+63.19%), Old Republic International Corp (+35.79), Interpublic Group of Companies (+40.68%), KeyCorp (+27.98%), and Snap-On Inc (+32.03%).

[3] Year-to-date as of 6/30/21: Procter & Gamble (-1.81%), Store Capital Corp (+3.72%), Public Service Enterprise Group (+4.25%), Johnson & Johnson (+5.98%), AbbVie (+7.65%).

Figure 1: Hamlin Composite Returns vs. Benchmarks as of June 30, 2021

	2Q21	YTD	1-year	3-year	5-year	10-year	Inception
Hamlin Composite	6.06%	19.30%	43.77%	12.84%	12.08%	11.57%	10.32%
Dow Jones Dividend Index ETF (DVY)	3.05%	23.29%	49.96%	10.13%	10.29%	12.04%	NA
Russell 1000 Value Index ETF (IWD)	5.05%	16.91%	43.47%	12.21%	11.70%	11.41%	7.28%
S&P 500	8.55%	15.25%	40.79%	18.67%	17.65%	14.84%	8.02%

Source: Hamlin Capital Management. Performance is net of fees and periods over 1 year are annualized. 2Q21 performance has not yet been examined by our independent GIPS verification service provider ACA Performance Services. See GIPS disclosure at the end of this report. 1/1/01 Inception.

Equity Q&A

Q: What are you hearing from your companies?

The Hamlin Equity team has conducted over 220 research calls through the end of the second quarter. Generally lasting about an hour, Hamlin analysts and portfolio managers interview executives managing a company we might buy, executives managing a company that competes with one of our holdings or watch list names, or executives managing a vendor to a company we are hoping to better understand. We also speak regularly with industry experts—participants and veterans—who might have worked at or competed against one of our companies in a prior life. These conversations and our regular analysis of company filings, earnings reports and investor presentations help us answer a fundamental question: *Can the company grow revenues over time due to increasing demand for the product or service offered as well as a competitive advantage that should enable the business to maintain and grow market share*? Recent research conversations have generally reinforced our optimism regarding Hamlin companies' positioning within their industries.

Management at MDC, our homebuilder, believes the housing cycle may last years, aligning with our own analysis that suggests the U.S. underbuilt the housing stock by between 3-5mm homes in the aftermath of the Global Financial Crisis. MDC is capturing migration out of urban areas and the uptick in Millennial family formation. More flexible working schedules make a home farther from the office more palatable. Today's home buyer wants a home office and a gym, and MDC believes that offering custom tailored designs has helped the company gain market share. Importantly, the company is run by a conservative management team that avoids speculative building and buying raw land, providing a layer of downside protection relative to more aggressive peers.

Steel Dynamics benefits not just from the cyclical rebound in automobile and building construction demand, but also from low-cost "mini mill" steel production that is much less pollutive than the blast furnace alternative. Steel prices are at historic highs with several million tons of blast furnace capacity having come out of the market thanks to industry consolidation over the last few years. The global decarbonization effort and tariff structure may be resulting in fewer Asian imports, while driving customers to our carbon friendlier electric-arc furnace mills. Demand is stronger than management expected, and they believe orders will remain firm for longer than analysts expect.

Our research findings also suggest that the pandemic offered a rare real-world corporate expense experiment to see which costs are truly necessary and which they could do without. Companies such as payroll service provider Paychex and advertising firm Interpublic Group have concluded that hybrid working models and reduced real estate needs mean a permanently lower cost structure. We anticipate either higher profit margins or more reinvestment—and subsequent growth—in the years to come. While Interpublic Group is already enjoying a cyclical rebound in advertising spend, we are just as excited about share gain potential thanks to best-in-class internal collaboration and data management capabilities. Their recently acquired Acxiom unit could benefit from the confusion created by Apple and Google's new privacy policies that will raise the difficulty and reduce the efficacy of digital advertising targeting.

Q: Is the Value trade over?

Over the last three months, the Russell 1000 Growth Index ETF ("IWF") returned 11.83%, doubling the Russell 1000 Value Index ETF's 5.05% advance. This leaves Value with an approximate 400 basis point lead over Growth year-to-date. Strong earnings performance for large capitalization technology stocks and a Fed-induced flattening of the yield curve are the likely culprits for Value's pause during the second quarter. Investors seem to suspect that looming rate hikes and fewer central bank bond purchases will slow economic growth, tame inflation, curtail the relative earnings growth advantage for cyclical value sectors, and return the discount rate mechanism to Tech-stock friendly levels. We find that logic frustratingly reasonable. Although Value sector leadership should be a tailwind for Hamlin equities, we would also welcome a fair fight. Interestingly, over the trailing twelve months, the Russell 1000 Growth and Value Indices are both up about 43%.[4] During that period, Hamlin was up 43.77% and the S&P 500 Index is up 40.79%.

We see reasons for Value to hold its own. While we are mindful of the influence of "base effects," debt, and demographics on inflation readings in 2022 and beyond, we suspect that firm year-over-year Personal Consumption Expenditures Index and Consumer Price Index figures may prove less transitory than predicted by Fed officials. Pricing, wage and expense trends within our portfolio companies inform this opinion. Proctor & Gamble is raising prices mid-to-high single digits to offset higher freight and plastic costs; Home Depot is making many Covid-related wage increases permanent and selling lumber at 4-5x pre-pandemic levels; Leggett & Platt raised bedding prices 9% to pass through soaring steel and foam costs; Genuine Parts Company tells us that they are putting 3% price increases through to compensate for costs running at the high end of plan; and Old Republic is raising commercial auto insurance premiums at a low to mid-teens rate to offset rising severity.

We still believe that the unusual combination of fiscal and monetary stimulus, high household savings, and strong bank balance sheets should have an enduring impact on economic growth and price levels.[5] If this occurs, robust industrial, material, financial, and energy sector earnings growth should support the Value sector.[6] An associated increase in interest rates should limit performance of technology and internet stocks that represent approximately 59% of the Russell 1000 Growth Index ETF and trade at an historically elevated 10.1x forward sales.[7] The charts below indicate that value stocks remain historically cheap relative to growth stocks and remind us that past value outperformance cycles have usually lasted for years, not months.

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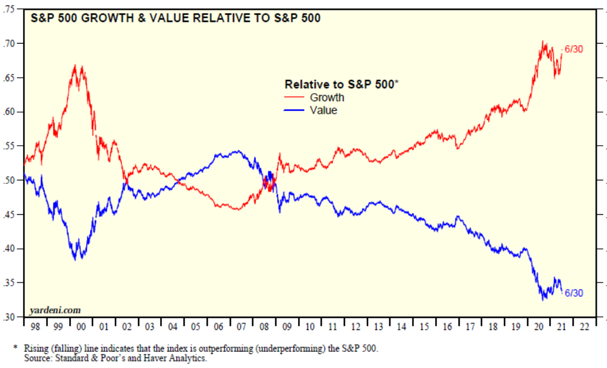
[4] From 6/30/20 to 6/30/21, the Russell 1000 Growth Index ETF was up 42.33% and the Russell 1000 Value Index ETF was up 43.47%.

[5] Fiscal spending programs and Federal Reserve bond purchases since the Pandemic totaled $8.6 trillion or 39% of GDP, according to FRED and the IMF. Fiscal and monetary policy impacts economic growth with a 1-6 month and 12-24 month lag, respectively, according to Evercore. Bipartisan support for handouts (pandemic unemployment assistance) may also be a longer-term inflation game changer.

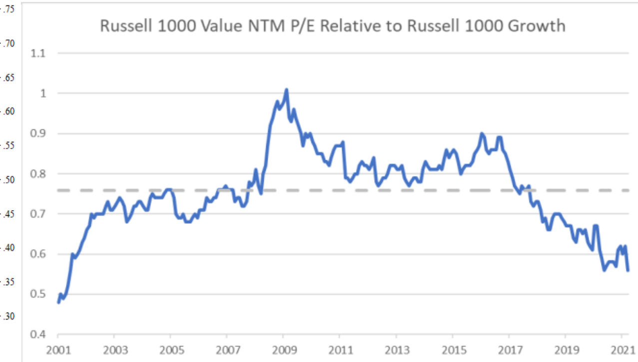
[6] CME, KEY, and ORI earnings should benefit directly from higher inflation and interest rates.

[7] Russell 1000 Growth ETF Technology and Internet exposure is defined as the entirety of the Information Technology Sector along with GOOGL, AMZN, FB, NFLX, and TWTR. Forward sales is a weighted average metric calculated by dividing total market capitalization by next twelve month sales consensus. Source: Factset.

Figure 2: Value vs. Growth: Relative to S&P 500 and P/E Differential



Source: Yardeni Research. As of 6/30/21.



Source: Factset. As of 6/30/21

Q: How should we think about portfolio performance prospects at this juncture?

While a tailwind for Value sectors and a PE ceiling for non-dividend paying large capitalization Technology names could be helpful for Hamlin equity relative performance, our holdings' free cash flow growth relative to investor expectations should have the greatest influence on your returns. If we knew that the broader Value sector was soon to plateau, we would still remain optimistic about our long-term performance potential. *As reviewed above, we make security selection decisions based on rigorous company research, not based on macro nor investment style prognostications*. Our earnings and dividend discount models currently project 22% upside to Hamlin price targets, supported by reasonable multiple and discount rate assumptions. Your diversified Hamlin equity portfolio trades at 14.2x forward earnings, well below the S&P 500 Index's 21.5x forward PE – a discount that appears unwarranted in light of our companies' profitability, balance sheet and free cash flow metrics.[8] KeyCorp, ConocoPhillips, MDC Holdings, Cummins, and AbbVie appear especially attractive—each with more than 30% upside to our assessment of fair value. We envision increasing earnings and dividends for those companies driven by: lower loan loss provisions and stabilizing net interest margins; an undersupply of housing stock; oil and gas capital spending restraint and an associated upturn in free cashflow; truck OEM engine outsourcing and emerging hydrogen demand; and growing demand for aesthetic products and immunology drugs to treat dermatitis, colitis and rheumatoid arthritis.[9]

[8] Hamlin portfolio's last twelve months weighted average ROE is 26.3% and average net debt-to-total capitalization is 32.0% as of 6/30/21.

[9] There can be no guarantee that we will realize upside to Hamlin price targets; and our price targets can decline with new information and analysis. Other Hamlin holdings present less upside to price targets. As of 6/30/2021.

Fixed Income Performance

Halfway through 2021, we are pleased to report the Hamlin Capital Management Municipal Bond Composite continues to perform well, up 3.69% year to date. We believe the existing portfolio, augmented with recent additions, has served clients well through the volatility of last year's Pandemic and this year's reopening. Increased stability for the general market this year (compared to one year ago) has meant less price volatility in the market but also slightly less opportunity for new investment.

As always, we emphasize protection of capital and work to add opportunistically to help drive performance going forward. We will do so with the same management you have come to expect from us here at Hamlin and which guided us through 2008, 2011, 2013 and 2020.

Figure 3: Fixed Income Performance

	HAMLIN BOND COMPOSITE (% Net of Fees)	Cumulative	BLOOMBERG-BARCLAYS HIGH MUNICIPAL INDEX (% No Transaction Costs or Fees)	Cumulative
2001	4.54	104.54	4.45	104.45
2002	7.22	112.04	1.97	106.51
2003	9.14	122.20	13.22	120.59
2004	8.27	131.37	10.52	133.27
2005	7.94	141.81	8.58	144.71
2006	6.81	151.47	10.74	160.26
2007	4.27	157.93	-2.28	156.60
2008	-16.73	131.51	-27.01	114.31
2009	16.35	153.00	32.73	151.72
2010	7.06	163.81	7.80	163.56
2011	6.13	173.86	9.25	178.68
2012	7.43	186.78	18.14	211.10
2013	2.48	191.42	-5.51	199.47
2014	7.18	205.16	13.84	227.07
2015	4.80	214.97	1.81	231.18
2016	3.84	223.24	2.99	238.09
2017	8.22	241.59	9.69	261.17
2018	4.25	251.85	4.76	273.60
2019	8.69	273.74	10.68	302.82
2020	5.17	287.90	4.89	317.63
2021 YTD	3.69	298.52	6.13	337.10
20.50 Years Annual Compound	**5.48**		**6.11**	

Source: Hamlin Capital Management and Bloomberg Index Services Limited. The performance provided is a preliminary estimate as Q2 2021 performance has not yet been examined by ACA Performance Services and may be subject to change. Individual accounts vary.

Q: With interest rates starting to move up this year, how are you positioning the portfolio?

Interest rates have started to move back up across both the taxable and municipal universe this year. However, after moving up a considerable amount in the first quarter, interest rates actually came down across the fixed income universe in the second quarter—driven by the 10-year Treasury down 29 basis points. This move down may seem surprising given the rapid economic growth (from reopening), massive government stimulus, and resulting inflation expectations but with the global yields still so low (German 10 Year negative and the Japanese 10 Year barely positive), every time the U.S. Treasury moves up in yield its relative attractiveness only increases. The resulting buying tends to keep a ceiling on yields, something we have also seen in the municipal space. However, eventually we do expect rates to continue upwards reflecting an improving economy, tightening labor market and increasing wages across many sectors of the economy. As the economy recovers, we think that rate normalization is important and seek to prudently invest into a rising interest rate cycle. A strengthening economy that supports higher interest rates is generally a healthy place for project finance—especially with so much potential pent-up demand. We continue to prepare the portfolio for any interest rate environment and have taken steps in recent years to mitigate the effects rising rates can have over a bond portfolio.

We believe our commitment to absolute return (not just spread investing) is particularly important. It protected the portfolio during the extreme interest rate volatility in 2020 as well as the 2013 Taper Tantrum. Our continued adherence to absolute return metrics will also be important during a period of potentially rising interest rates as we seek to provide investors a steady tax-exempt coupon while keeping our yield at investment well above the general municipal market yields. One of our primary goals is always to find the highest risk adjusted coupons for our clients on the long end of the curve. However, as the market has changed (lower reward for long term bonds), we have increased our focus on the short end of the yield curve for all portfolios—always with an eye towards rising rates. For years now, we have focused on not only buying high coupon bonds but also pursuing bond deals with shorter maturities or with an array of adjustable coupons—fixed for a period that then reset to prevailing rates. This effort coupled with other variable rate securities, puts, and simply shorter maturities has produced a short bond composite with an adjusted duration of approximately 4.80 while maintaining a robust average coupon of 5.26%.[10] In addition to focusing on the shorter end of the curve, we also continue to implement tried and true strategies for a rising interest environment, including:

- Higher coupons – Compounding large coupon payments in a rising interest rate environment is a defensive force and a potent tool for driving returns. As rates move up, the larger coupons Hamlin clients receive provide them more income to reinvest at the new higher market rates.

- Amortization of debt – Hamlin bond projects actively pay their debt down during the life of the bond. The steady principal payments allow client portfolios to reinvest principal as rates rise.

- Dollar cost averaging – New Hamlin clients are invested slowly over the course of months and even years. If rates move and the market adjusts, the bonds purchased by client portfolios will gradually reflect the new rate environment.

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[10] As of 6/30/2021; adjusted duration and average coupon is based on preliminary quarter end data and subject to change. Adjusted duration is calculated using the earliest of the applicable put, interest rate reset, mid-point of sinking fund payments, and maturity.

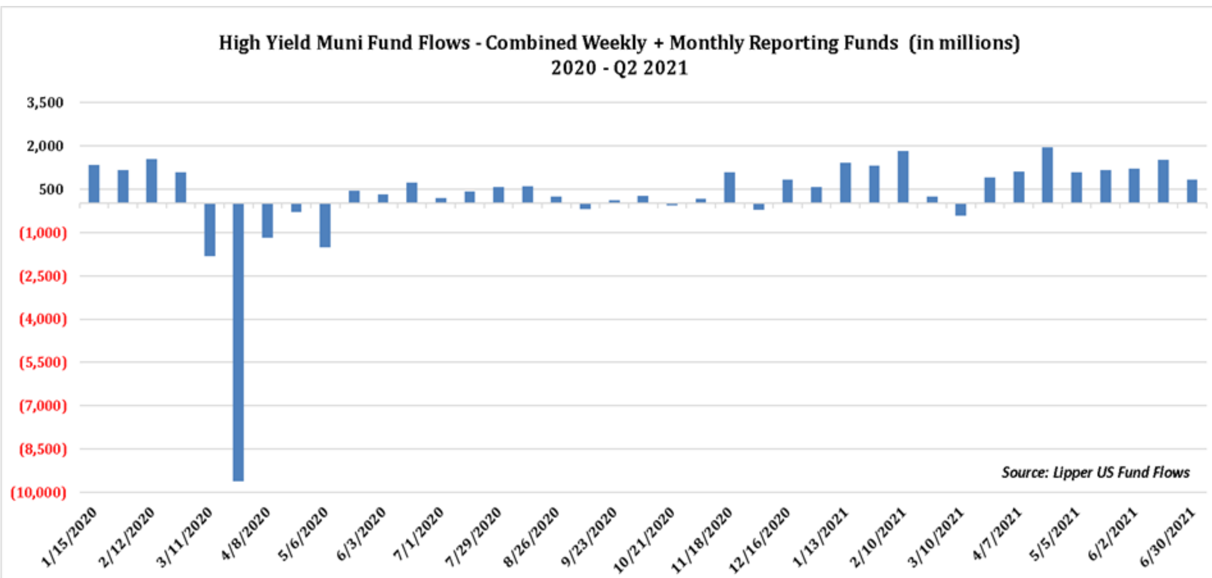
- Yield discipline – In addition to spread discipline, we keep absolute yield levels in mind. While there may be some exceptions, we are committed to achieving minimum absolute yield levels of 6% plus for credit risk assumed on the long end of the yield curve and 5.0% plus inside of 10 years.

As we preach over and over, the key to generating sustainable returns is through the income derived from the generally tax-exempt coupons. That income is not affected by rising interest rates and the ability to reinvest at prevailing interest rates is a powerful multiplier. Further, the steps outlined above that limit the duration of the portfolio means that price moves should be less pronounced than comparable investments that lack these important features.

Q: You mentioned mutual fund flows into municipals. How much have we seen and how is it affecting yields and the opportunity set?

As expectations for higher marginal tax rates have increased, so have the flows into municipal funds. Since the crisis a year ago, flows have been almost entirely positive and post the elections in both November and January (Senate run-off) they have only increased. We believe these large flows have helped keep a ceiling on municipal yields even as interest rates have generally moved up this year.

Figure 4: High Yield Muni Fund Flows



Unfortunately, this inflow of capital and corresponding ceiling on municipal rates has once again almost priced us out of broader market opportunities. However, we continue to see opportunity in our Hamlin-sourced space at the absolute yield levels we believe compensate our clients. We are committed to deploying capital during times of dislocation in places that we believe will benefit clients for years to come. However, our primary focus, as ever, is to protect capital. The Covid-19 related dislocation was one of the best buying opportunities we have had in recent years. The current environment is not quite as exciting. If we cannot get absolute yield which we feel is necessary for investment, we prefer to hold the capital and wait. When fund flows reverse and opportunities become more abundant, we will take advantage.

Q: How have the credits held up in the portfolio since the volatility last year?

While there have been defaults in the broader municipal market due to Covid-19, the market has not seen the type of pain many expected. Part of that is attributable to the generous government assistance that has been provided via the now three separate stimulus bills measuring into the trillions. These monies have helped various sectors—including state government which have been able to use federal dollars to plug budget holes. The March 2021 stimulus is no different, providing $350 billion to state and local governments that should help them weather potential issues. While this influx of federal money is a credit positive for the market, it is not a panacea. We still expect to see continued difficulties in the high yield municipal sector on an individual project basis. It also does not solve long term issues for states that can't match their revenues with their expenditures. That said, we do not believe that it is likely a large city or municipal transit system (for example) defaults in the near future.

Senior Living: The broader municipal market has seen an uptick in defaults in the senior living space with over $530.5 million across 10 different issuers so far this year.[11] The Pandemic-induced drop in census and the associated revenue hit many facilities endured has caused some poorly capitalized projects to capitulate. There have been several highly leveraged and high-profile deals that have defaulted in the last few months—all of which Hamlin avoided. The discipline we have shown over the years continues to benefit investors. While others often buy what is available, we prefer to wait for opportunities to work with quality non-profits on projects with cash equity and a margin of safety built in.

Having made it through the tough times of the Pandemic and while we continue to see some stress at projects (and expect more general market deals to default), we are hopeful a corner has been turned in terms of revenue and occupancy. Now that the vaccine has been distributed and marketing efforts have been restarted, we have seen a quick uptick in activity that is translating into move-ins and new occupancy. We are confident that our projects are in a good place to manage through any additional issues and come out strong on the other side.

Education: Defaults in the market for public charter school bonds remain muted. The sector has come through all the Pandemic associated volatility with very few issues and we do not see any lurking on the horizon. Our schools continue to receive funding alongside other public schools and as a reserve power of the States, Education policy is still largely driven by state governments (other than in the headlines where they grab a national and political spotlight).

Our portfolio has come through this incredibly volatile time with no new defaults due to Covid-19 related issues and no new payment interruptions through 7/1/2021 payments. While the future remains uncertain, we are not currently expecting any new Covid-related payment interruptions for the large 12/1/2021 and 1/1/2022 payment cycles. We are seeing the benefits now of years of focused and discipline investment in the Hamlin Portfolio.

[11] Bloomberg Default & Distress Report; data accessed on 7/8/21

As a reminder, Hamlin manages client assets based on the individual needs of each client. Please contact us if there have been any changes in your financial situation or investment objectives, or if you wish to impose any reasonable restrictions on the management of your account or reasonably modify existing restrictions.

Thank you sincerely for your trust and confidence. Please call (212) 752-8777 with any questions or suggestions.

Joe Bridy • Chris D'Agnes • Deborah Finegan • Charlie Garland • Benjamin Kaufman

Mark Stitzer • Parker Stitzer • Michael Tang

IMPORTANT DISCLOSURES:

PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. Investing, particularly in equities, involves the risk of a loss of principal. Any projections, targets, or estimates in this report are forward looking statements and are based on Hamlin Capital Management, LLC ("HCM")'s research, analysis, and incorporate assumptions made by HCM. All expressions of opinion are subject to change without notice and HCM undertakes no obligation to update the statements presented herein. While HCM believes the sources of all data provided in this presentation are reliable, HCM does not guarantee accuracy, reliability or completeness. Data is presented as of the date indicated and HCM does undertake any duty to update the information presented here.

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DEFINITIONS

- *AAA MMD Curve is a proprietary yield curve that provides the offer-side of "AAA" rated state general obligation bonds, as determined by the MMD analyst team.*
- *The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.*
- *Current yield is calculated by dividing an investment's annual income by the current price.*
- *Dow Jones U.S. Select Dividend Index is an index composed of relatively high dividend paying companies.*
- *Duration is a measure of the number of years it takes for an investor to be repaid the price of a security and is a measure of interest rate sensitivity.*
- *Free Cash Flow represents the cash a company can generate after required investment to maintain or expand its asset base.*
- *PE: The Price-to-Earnings Ratio or PE ratio is a ratio for valuing a company that measures its current share price relative to its per-share earnings. The price-earnings ratio can be calculated as: Market Value per Share / Earnings per Share.*
- *The Personal Consumption Expenditures Index, released each month in the Personal Income and Outlays report, reflects changes in the prices of goods and services purchased by consumers in the United States. Quarterly and annual data are included in the GDP release.*
- *The Russell 1000 Growth Index is a market capitalization-weighted index of the growth segment of the 1,000 largest U.S. public companies.*
- *The Russell 1000 Value Index is a market capitalization-weighted index of the value segment of the 1,000 largest U.S. public companies.*
- *The S&P 500 Index is a market capitalization-weighted index consisting of 500 stocks chosen for market size, liquidity, and industry group representation, with each stock's weight in the Index proportionate to its market value.*
- *Total market capitalization refers to the total dollar market value of a company's outstanding shares of stock.*

Hamlin Capital Management, LLC - Equity Only Composite
GIPS Report
January 1, 2001 through March 31, 2021

Year	Total Firm Assets (mm)	Composite Assets (mm)	Number of Portfolios	Composite Net Return	S&P 500 Return	Russell 1000 Value Return	Internal Dispersion (NET)	Composite 3-Yr St Dev (NET)	S&P 500 3-Yr St Dev	Russell 1000 Value 3-Yr St Dev
*YTD 2021	5,123	1,604	523	12.48%	6.17%	11.25%	N.A.	N.A.	N.A.	N.A.
2020	4,847	1,442	522	5.36%	18.40%	2.80%	1.40%	17.66	18.53	19.62
2019	4,706	1,610	646	21.54%	31.49%	26.54%	0.55%	9.45	11.93	11.85
2018	4,253	1,504	688	-6.97%	-4.38%	-8.27%	0.64%	10.37	10.80	10.82
2017	4,553	1,772	683	15.84%	21.83%	13.66%	1.29%	10.27	9.92	10.20
2016	3,617	1,623	679	14.93%	11.96%	17.34%	1.26%	11.05	10.59	10.77
2015	3,186	1,373	725	-4.54%	1.38%	-3.83%	0.66%	9.91	10.48	10.68
2014	3,077	1,414	704	10.93%	13.69%	13.45%	0.51%	8.57	8.97	9.19
2013	2,703	1,234	624	32.72%	32.39%	32.53%	1.04%	10.19	11.94	12.69
2012	2,029	798	480	11.03%	16.00%	17.51%	1.12%	12.39	15.09	15.51
2011	1,623	584	388	10.16%	2.11%	0.39%	0.71%	14.11	18.71	20.69
2010	1,033	191	220	20.65%	15.06%	15.51%	2.22%			
2009	714	30	51	20.98%	26.46%	19.69%	2.69%			
2008	584	12	30	-28.57%	-37.00%	-36.85%	4.45%			
2007	734	18	31	3.97%	5.49%	-0.17%	2.86%			
2006	869	29	48	7.90%	15.79%	22.25%	5.93%			
2005	716	31	42	20.80%	4.91%	7.05%	4.90%			
2004	501	19	26	22.80%	10.88%	16.49%	7.67%			
2003	130	8	24	30.40%	28.68%	30.03%	9.87%			
2002	49	5	29	0.90%	-22.06%	-15.52%	6.15%			
2001	21	6	34	0.99%	-11.93%	-5.59%	10.69%			

* Performance represents a non-annualized partial period return ending on March 31, 2021.

Equity Only Composite consists of fully discretionary accounts that are comprised of any amount of common stocks and cash. There is no minimum account size or time period to be included in the composite. Returns include the effect of foreign currency exchange rates. The exchange rate source for the composite is IDSI/IDC – FT Interactive Data Corporation. The S&P 500 Index and Russell 1000 Value Index are provided as benchmarks. Benchmark returns are not covered by the report of independent verifiers. The Russell 1000 Value Index was added retroactively on 10/1/2020. On 7/1/2021 Hamlin made a material change to total returns from price returns for the Russell 1000 Value Index over the period 2001-2019.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS. Investing entails the risk of loss of principal. The U.S. Dollar is the currency used to express performance. Returns are presented net of management fees and includes the reinvestment of all income. Net of fee performance was calculated using actual management fees. The annual composite dispersion is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Composite performance is presented net of foreign dividend withholding taxes, where applicable, for the period prior to October 1, 2016, and gross of foreign dividend withholding taxes thereafter. Composite performance accrues dividends starting October 1, 2016. The management fee schedule is as follows: 1.00% on all assets. Actual investment advisory fees incurred by clients may vary. Composite performance is shown net of custodial fees for the period prior to January 1, 2018, and gross of custodial fees and other charges that may occur as a result of a client's choice of service providers thereafter. Beginning 10/1/19, a significant number of accounts in the composite are custodied with a broker that does not charge trading expenses. Accounts custodied with other brokers may incur trading expenses which may reduce returns. As of 03/31/21 date, these accounts represent 22.16% of composite assets.

Hamlin is an independent registered investment advisory firm. Hamlin invests in fixed income and equities for separately managed accounts, as well as funds. In January 2004, Hamlin merged with RRH Capital Management Inc. and the performance returns are linked. The firm maintains a complete list and description of composites and pooled funds, which is available upon request. A copy of our current written disclosure statement discussing our advisory services and fees continues to remain available for your review upon request.

The Equity Only Composite has an inception date of January 1, 2001 and was created April 1, 2006. Hamlin claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Hamlin has been independently verified for the periods January 1, 2001 through December 31, 2008 by Ashland Partners & Company LLP. ACA Performance Services began verification for Hamlin on January 1, 2009 through March 31, 2021. A firm that claims compliance with the GIPS standards must establish policies and procedure for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to 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. The Equity Only Composite has had a performance examination for the periods January 1, 2001 through March 31, 2021. The verification and performance examination reports are available upon request. The policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request.

Hamlin Capital Management, LLC
Bond Only Composite
GIPS Report
January 1, 2001 through March 31, 2021

Year	Total Firm Assets (mm)	Composite Assets (mm)	Number of Portfolios	Composite Net Return	BHYMBI Return	Internal Dispersion (NET)	Composite 3-Yr St Dev (NET)	BHYMBI 3-Yr St Dev
*YTD 2021	5,123	1,113	346	0.79%	2.11%	N.A.	N.A.	N.A.
2020	4,847	1,062	324	5.17%	4.89%	0.78%	4.18	8.33
2019	4,706	814	260	8.69%	10.68%	0.99%	2.02	3.02
2018	4,253	789	245	4.25%	4.76%	0.64%	3.04	4.91
2017	4,553	733	234	8.22%	9.69%	1.67%	2.82	5.42
2016	3,617	634	219	3.84%	2.99%	0.76%	2.54	5.96
2015	3,186	758	193	4.80%	1.81%	0.77%	0.99	6.35
2014	3,077	538	138	7.18%	13.84%	1.03%	1.14	6.22
2013	2,703	546	190	2.48%	-5.51%	0.84%	1.44	5.90
2012	2,029	474	172	7.43%	18.14%	1.39%	1.52	4.17
2011	1,623	442	173	6.13%	9.25%	0.86%	2.67	7.81
2010	1,033	314	124	7.06%	7.80%	0.84%		
2009	714	220	90	16.35%	32.73%	1.64%		
2008	584	181	67	-16.73%	-27.01%	1.80%		
2007	734	173	50	4.27%	-2.28%	0.96%		
2006	869	153	55	6.81%	10.74%	1.14%		
2005	716	86	53	7.94%	8.58%	1.84%		
2004	501	53	33	8.27%	10.52%	1.61%		
2003	130	18	27	9.14%	13.22%	2.19%		
2002	49	17	29	7.22%	1.97%	2.63%		
2001	21	17	31	4.54%	4.45%	15.07%		

* Performance represents a non-annualized partial period return ending on March 31, 2021.

Bond Only Composite consists of fully discretionary bond only accounts that are comprised of any amount of bonds and cash. There is a 1 year waiting period to be included in the composite. There is no minimum account size for inclusion in the composite. The Bloomberg-Barclays High Yield Municipal Bond Index (BHYMBI) is provided as a benchmark. Benchmark returns are not covered by the report of independent verifiers.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS. Investing entails the risk of loss of principal. The U.S. Dollar is the currency used to express performance. Returns are presented net of management fees and includes the reinvestment of all income. Net of fee performance was calculated using actual management fees. The annual composite dispersion is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. The management fee schedule is as follows: 1.00% on all assets. Actual investment advisory fees incurred by clients may vary. Composite performance is shown net of custodial fees for the period prior to January 1, 2018, and gross of custodial fees and other charges that may occur as a result of a client's choice of service providers thereafter.

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