HAMLIN
CAPITAL MANAGEMENT, LLC

October 2019

Third Quarter 2019 Update

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Overview

Hamlin's equity accounts increased in value over the last three months, surpassing the S&P 500 Index's 1.70% total return. The summer months were particularly volatile. Investors initially celebrated the Federal Reserve's first interest rate cut in ten years, only to fret over recession fears fanned by abrupt trade war escalation in August. Hamlin's high-yield tax exempt bond account values advanced in line with the broader municipal bond market as 10-year US Treasury bond yields dropped approximately 30 basis points.

Equity Outlook

Investors remain justifiably on recession watch. Inverted yield curves have preceded economic contractions in part because banks have less of an incentive to offer credit. Lower longer term Treasury yields also leave equity portfolio managers with an eerie feeling: why would sophisticated asset allocators eagerly accept such a paltry multi-year return? Sub-50 Purchasing Manager Indices at home and abroad seem to confirm the signal from the term structure of interest rates. These developments are particularly concerning as they follow five interest rate hikes and the end of quantitative easing by the Federal Reserve. Portfolio managers rightfully wonder if the Fed has classically engineered a downturn in an attempt to avoid anticipated inflation.

Yet here we are very close to an all-time high for stocks. We can thank a strong American consumer whose wages are growing 2.9%, including a healthy 3.5% for production and nonsupervisory employees. Consumer spending represents 68% of GDP, while manufacturing accounts for only 11.3 %.[1] Moreover, the majority of the 22 executives of portfolio and watch list companies with whom we met over the last few months seem to believe that trade détente with China would lead to inventory re-stocking and less hesitation around capital investment decisions. We suspect that Messrs. Xi and Trump are feeling the heat and eager to remove an impediment to economic growth. While stocks should celebrate a brighter earnings outlook, especially in the context of recently lowered short rates here and abroad, the current 16.8x forward stock market PE could limit advances. Equity appreciation above the rate of mid-single digit earnings growth appears unlikely.

The presidential and congressional elections are an important factor. While we suspect that Sen. Elizabeth Warren's current platform would appeal to a minority of the electorate next November, *investors* could begin to worry about a Warren Administration should her odds for nomination increase further. Higher corporate taxes, higher income taxes, higher taxes on dividends and capital gains, taxation on security transactions, increasing financial and energy firm regulation, and higher discretionary government spending could reduce consumer and corporate confidence. Portfolio managers would be obliged to contemplate significant earnings headwinds.

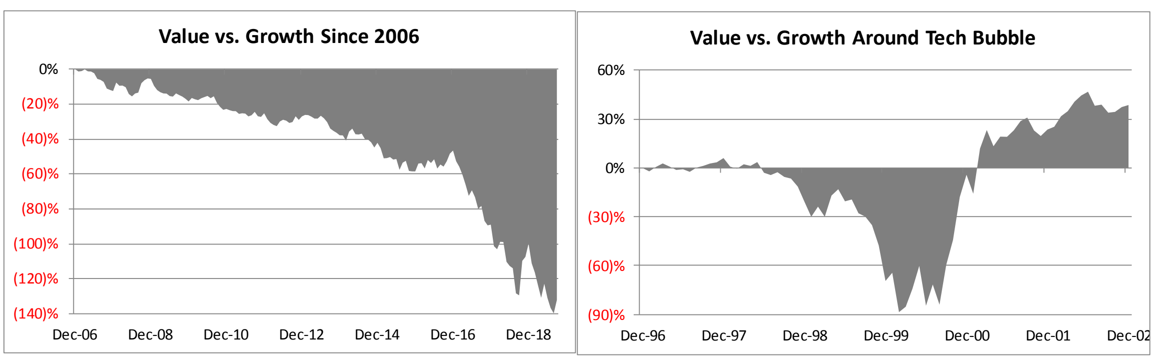
[1] Source: Federal Reserve Economic Data, Federal Reserve Bank of St. Louis.

Equity Performance

The Hamlin Equity Composite increased 2.60% over the last three months,[2] exceeding both the S&P 500 Index's 1.70% and Russell 3000 Value Index's 1.23% total returns for the quarter. Hamlin's year-to-date 15.92% net return trails the S&P 500's technology sector-driven 20.55% advance.[3] Our year-to-date performance compares more favorably to the Russell 3000 Value and the Dow Jones U.S. Select Dividend Indices' gains of 17.47% and 17.32%, respectively.

Interestingly, your Hamlin equity portfolio has *beaten* the S&P 500 Index over the last twelve months.[4] In fact, FAANG stocks are down 6.1% on average over that period.[5] Beyond solid portfolio company execution and a few welcome reactions to strong earnings reports, our improved relative performance may reflect a nascent shift from growth to value-oriented stock selection.[6] Concern surrounding elevated technology stock valuation, internet company government investigations and rising 10-year Treasury yields combined to make September the strongest month for value stock indices in almost 3 years.[7] The charts below remind us both how lonely it has been to be a value manager and how sharply the value indices rebounded following the last sustained period of underperformance up to the pricking of the Dot Com bubble in 2000.

Figure 1: Value vs. Growth Performance Today and in the Tech Bubble



Based on performance of Russell 3000 Value Index relative to Russell 3000 Growth Index. Past performance not a guarantee of future results.
Source: FactSet

Although the chart above implies that Hamlin's relative performance could improve with any reversion to the mean, please remember that we are not managing your account to track or beat the S&P 500. We don't select securities to align your portfolio with any index's sector weightings or holdings. We aim to construct a

[2] The performance provided is a preliminary estimate as Q3 performance has not yet been examined by ACA Performance Services and may be subject to change.

[3] S&P Technology has YTD performance of 31.22% as of 9/30/2019.

[4] HCM Equity composite performance of 4.83% exceeds the S&P 500's 4.25% return over the period 9/30/2018 to 9/30/2019. Individual account performance may vary.

[5] FAANG is composed of Facebook, Amazon, Apple, Netflix, and Google.

[6] S&P defines value stocks as those that rank cheaply on ratios of book-to-price, earnings-to-price, and sales-to-price. Growth stocks are those with higher three-year earnings per share growth, three-year sales per share growth, and 12-month price change (momentum).

[7] Based on S&P 500 Growth and Value indices.

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. We are satisfied with our 8.82% compound annual net return over the last three years given the duration and strength of the current bull market.

Figure 2: Equity Performance

	HAMLIN EQUITY COMPOSITE (Net of Fees)	Cumulative	S&P 500 (No Transaction Costs or Fees)	Cumulative
2001	0.99	100.99	(11.93)	88.07
2002	0.90	101.90	(22.06)	68.64
2003	30.40	132.87	28.68	88.33
2004	22.80	163.17	10.88	97.94
2005	20.80	197.11	4.91	102.75
2006	7.90	212.69	15.79	118.97
2007	3.97	221.13	5.49	125.50
2008	(28.57)	157.95	(37.00)	79.07
2009	20.98	191.09	26.46	99.99
2010	20.65	230.55	15.06	115.05
2011	10.16	253.98	2.11	117.47
2012	11.03	281.99	16.00	136.27
2013	32.72	374.26	32.39	180.41
2014	10.93	415.16	13.69	205.10
2015	(4.54)	396.32	1.38	207.93
2016	14.93	455.49	11.96	232.80
2017	15.84	527.63	21.83	283.62
2018	(6.97)	490.86	(4.38)	271.20
YTD 2019	15.92	569.00	20.55	326.93
18.75 Years Annual Compound	**9.72**		**6.52**	

Source: Hamlin Capital Management. Our independent verification service provider, ACA Performance Services, has yet to audit Q3 2019 performance. See GIPS disclosure at the end of this report.

Annual Equity Portfolio Discussion

We think your Hamlin equity portfolio is attractive. Our equities currently yield approximately 4.0% and trade at 12.1x forward twelve months' earnings estimates as of 9/30/19. By comparison, the S&P 500 yields approximately 2.0% and sells for 16.8x earnings estimates.[8] Our portfolio companies' average return on equity over the past three years is 28.3%, and their balance sheets are healthy with an average net debt-to-capital ratio of 36.8%. Upside to our individual security price targets appears attractive.[9] We are also pleased to report that our bottom-up stock selection process has resulted in a more defensive list of securities with

[8] S&P 500 Price of $2,976.74 divided by NTM earnings estimate of $176.87 as of 9/30/2019.

[9] Hamlin Capital establishes a price target for each equity investment based on a combination of valuation methodologies, including a Dividend Discount Model (DDM), trading multiple analysis, and earnings power models. Please note that our price targets do not represent a guarantee of where a stock will trade in the future and losses may occur.

lower volatility. Portfolio beta, a measure of historic volatility and correlation relative to the market, has dropped from 0.90 to 0.66 over the last 24 months.[10]

To merit Hamlin investment, companies should pay us a compensatory cash return. We look for executives who demonstrate a commitment to increase dividend payments. We invest in companies with high dividend yields, manageable debt, attractive returns on equity, and adequate free cash flow-to-dividend coverage ratios. We are bottom-up investors, willing to consider investments across almost all industries and geographies…as long as a company displays the critical attributes above, operates a simple business model that we understand, and is available at prices that offer both a margin of safety and the potential for meaningful long-term capital appreciation.

You own an eclectic list of companies within the Consumer Discretionary Products, Consumer Staples, Communications Services, Pharmaceutical, Financial Services, Technology, Manufacturing, Real Estate, and Energy sectors. Their facilities, employees, distributors, and customers span the globe. The executives managing these businesses are working hard daily for you, having promised publicly to pay a large portion of their quarterly earnings into your Hamlin account. In fact, thirty HCM equity composite holdings have announced dividend increases so far this year at an average rate of 7.0%. We are excited about the prospects for further dividend growth over the years to come.

Hamlin's equity team is optimistic about several investment themes that should support your holdings.

1. You have exposure to **communications technologies and the evolving digital eco-system** as the technology sector continues to embrace dividends. The cell phone has become an indispensable component in our professional and personal lives, enabling instant interaction with colleagues, customers, business partners, friends and families. Approximately 40% of online purchases were made using smartphones in the 2018 holiday season.[11] The emerging "Internet of Things" ("IOT") market – whereby alarm systems, thermostats, kitchen appliances, and automobiles are connected to consumers' smartphones, tablets, and the internet – could have a meaningful revenue impact on several of your investments. **Intel** and **Qualcomm** are IOT enablers. More fundamentally, Qualcomm products facilitate the transmission of emails, texts, and pictures while enabling mobile Google searches and online shopping orders. Intel's chips power the majority of cloud computing server networks that have been growing exponentially in recent years.[12] **Eaton's** uninterruptible power sources and **Cummins'** back-up generators reduce operating costs and ensure data center reliability for cloud service providers. **NetApp's** storage hardware and software solutions enable analysis of the reams of customer transactional data collected during cloud internet commerce. Wireless and data services offered by **AT&T, BCE,** and **Verizon** are the critical enabler of our modern ecosystem. We think their market positions, thanks to decades of aggressive capital investment, are under-appreciated. 5G technology

[10] The beta provided is a preliminary estimate as Q3 performance has not yet been examined by ACA Performance Services, and may be subject to change.

[11] Source: technologyrecord.com

[12] Public cloud computing allows companies to rent compute power and storage from aggregators like Amazon Web Services (AWS), Microsoft Azure, and Google, providing benefits in the form of cost savings (economies of scale passed on to customers) and flexibility (renting resources on an as-needed basis). Gartner forecasts global public cloud spending growth of 17.5% in 2019, after an increase of over 25% in 2018. https://www.gartner.com/en/newsroom/press-releases/2019-04-02-gartner-forecasts-worldwide-public-cloud-revenue-to-g

deployment promises a 20x improvement in data download speeds, likely enabling new business models and new carrier customers. Our wireless companies will offer broadband fixed wireless services to consumers and businesses and subscriptions to factory floor robots and autonomous vehicles.

2. **Americans are aging**. According to the U.S. Census Bureau, there will be 78 million U.S. residents 65 years old and above by 2035, more than 76.7 million under the age of 18. As the leading edge of the Baby Boom generation turns eighty in 2027, **National Health Investors'** senior living facilities should see steady demand. **Cinemark** movie theaters may also benefit as 10,000 citizens reach the age of retirement daily[13] and pursue value-oriented leisure activity. Current and future products offered by pharmaceutical manufacturers such as **Pfizer, Roche, Sanofi, Gilead,** and **AbbVie** should enjoy robust demand. Your drug companies spent a combined $35 billion dollars in 2018 on developing breakthrough vaccines and life-saving/life-transforming medicines to treat cancer, diabetes, and immune system disorders. While mindful of the Administration's generic drug initiative and rebate pricing rhetoric, we believe rational politicians will agree that these creators of high-paying jobs and favorable trade balances deserve to earn an adequate return on their risky investments. As the visible threat of Trump administration regulation has already driven prescription drug prices down in 2019,[14] it is possible that the eventual compromise will be manageable.

3. **Bank balance sheets have improved significantly since the global financial crisis**. In 2007, the average bank's common equity Tier 1 ratio was 7.5%; today it is 13.4%.[15] **Keycorp, Umpqua Holdings, and FNB** are highly focused on maintaining a healthy credit profile while adapting to rapid change. We bank online and through our phones. Gone are the days of stopping in a bank branch and talking to a teller. Adjusting business models to meet the demands of today's consumer is expensive. Banks without scale may need to consider a merger offer as they consider the cost burden of digitization. Banking sector deal activity could also accelerate ahead of the election, as a new administration may be more reluctant to approve mergers. While our investment thesis for these banks vary, all three display historically low single-digit price to earnings multiples, strong shareholder return programs, and attractive loan growth.

4. **Our insurance company investments offer exposure to a recurring revenue business**. Monthly premiums get paid in good times and bad. **CNA, Old Republic** and **First American Financial** are very reasonably valued, with healthy shareholder payouts and attractive pricing tailwinds. Recurring hurricanes and wildfires drove catastrophe loss ratios up, and the commercial auto insurance business has seen a step function rise in severity as new technology-laden vehicles are costlier to repair. Management teams eventually demanded compensatory pricing for coverage. Low commercial and residential mortgage rates have also stimulated demand for title insurance.

[13] Source: Washington Post.

[14] On average, prescription drug prices have declined 1.2% (June – August 2019). Source data.bls.gov

[15] The Common Equity Tier 1 (CET1) ratio measures capital to risk-weighted assets. Another measure of bank capitalization is the Tangible Common Equity ratio, which has risen from 7% in 2007 to 9.5% today. Source: Barclays Research, FDIC, NY Fed.

5. **You own a highly diversified portfolio of integrated energy businesses** spanning all facets of exploration, processing, transportation, and refining. Importantly, your energy investment does not reflect a belief that commodity prices will rise. We believe the industry has been realistic about the long term future declines in oil usage. ExxonMobil projects light-duty vehicle demand for internal combustion engine fuels will peak prior to 2025 and then decline to early-2010s levels by 2040 as electric vehicle penetration gains momentum. Our own General Motors has set a goal of 20 EV models by 2023. Demand for electricity should grow, as we convert a 250 million car parc from internal combustion engines to electric. As utilities retire coal and nuclear plants, clean burning natural gas is powering more and more of the growing demand for electricity. **Royal Dutch Shell and Chevron** are focused on developing natural gas fields globally and building out LNG infrastructure to transport gas to power-hungry developing nations. Your energy investments should benefit from the abundant resources that have been unlocked from shale rock in this country over the last decade. **Williams** is gathering, processing and transporting natural gas out of the prolific Marcellus Basin in the northeast and delivering it to utilities. In addition, shale drilling success has left America swimming in natural gas liquids. **Enterprise Products Partners** is the largest processor and transporter of natural gas liquids in the country. The company's dominant position in the Houston ship channel makes them one of the largest exporters of oil and ethane in the U.S. Abundant ethane and propane, the building blocks for plastics, render U.S. Gulf Coast crackers the most competitive in the world. Chevron, Royal Dutch Shell, and **Phillips 66** own world class petro-chemical facilities producing ethylene, polyethylene, and specialty chemical products for thousands of end markets. We believe that our focus on business model diversity and manageable debt loads explain our favorable energy relative performance this year. Through September, your energy names are up 15.55%, surpassing the S&P energy sector's 5.96% advance.[16]

6. Your Hamlin portfolio is exposed to the exciting **Autonomous Vehicle** future in a variety of ways. Intel's Mobileye division offers a combination of computer vision and mapping, and the next generation vehicle will leverage Intel's strength in computing and communications. Core Qualcomm WCDMA technology summons autonomous cars and enables the transmission of mapping data to network operating centers. **General Motors'** bold acquisition of Cruise Automation vaulted the company into a small list of credible autonomous leaders. Softbank and Honda have invested billions into Cruise, validating GM's strategy. The company is working on mass production of autonomous cars, and already has 100 cars driving themselves around California.

The companies discussed above not only share the critical Hamlin characteristics – generous and growing dividends, manageable debt, attractive returns on equity and ample free cash flow – but they also often enjoy commanding market share within their end markets. We believe that the attractive prices paid for these investments, relative to their earnings power and relative to the present value of their growing dividend streams, provide a margin of safety should some of the above business drivers take time to materialize. Their quarterly distributions in cold cash reward our patience.

[16] Energy performance is shown year-to-date for the Equity Composite. Individual accounts may vary.

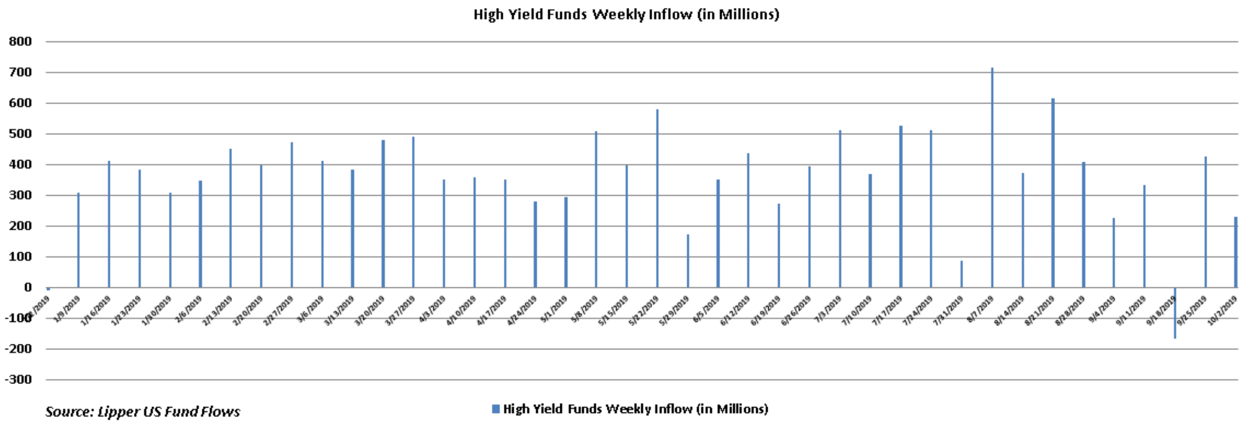
Fixed Income Commentary

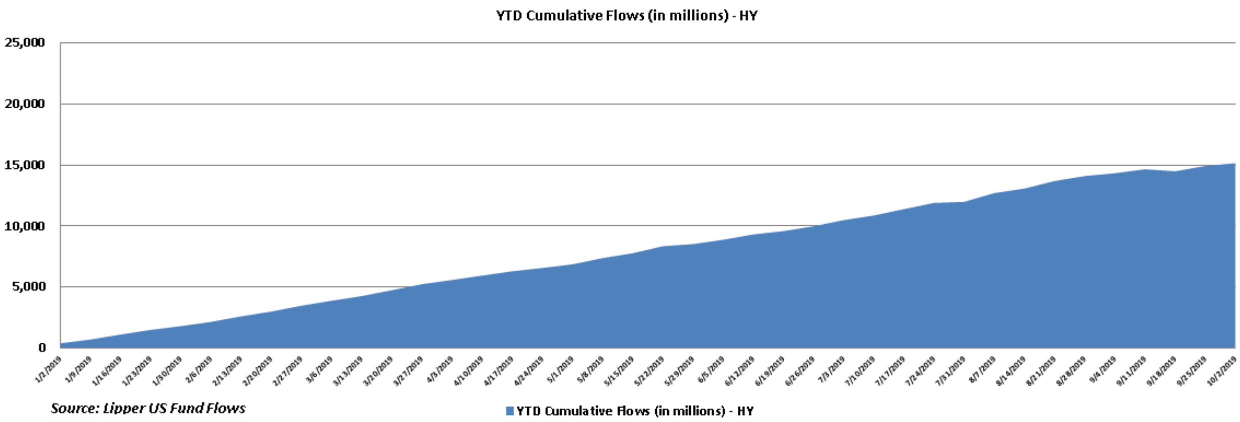
It may seem like a distant memory now but only last December the Federal Reserve was hiking the target on its benchmark Fed Funds rate. How things have changed. Less than one year after hitting its recent high of 3.23% in November of 2018, the 10-year Treasury yield sank to a low of 1.47% in September before ending the quarter at 1.68%. Even as the U.S economy continues to expand, the worry of slowdowns in China and Europe as well as the looming threat of an all-out trade war with China is dragging down rates. The global threats to the U.S. economy have prompted Chairman Powell and the Fed to move from a stance of "patience" to one of action – making their first Fed Funds cut in July. While many are hoping these cuts represent a mid-cycle adjustment rather than the start of extended cuts, it is likely we will see at least one more reduction this year. As of this writing, the futures market is currently pricing in a greater than 90% probably of a 25 basis point cut in December.[17]

Municipal interest rates have also continued their decline this year, both on the strength of Treasuries and investors' continued hunt for tax efficient yield. The tidal wave of cash pouring into the coffers of municipal bond mutual funds has further depressed tax-exempt rates. The benchmark AAA 10-year Muni ended the 3rd quarter at 1.42%, down over 20 bps from the end of the second quarter. Through the first three quarters of 2019, all muni funds took in close to $70 billion and High Yield alone took in more than $15 billion.[18] That compares to the approximately $1.7 billion of inflows for high yield muni funds and an outflow of nearly $1.3 billion for all muni funds last year.[19] The demand is evident in the secondary market, where funds are bidding bonds in excess of their prior day pricing. It is also evident in the primary market where "Street deals" are getting done at rates far below the level we think adequately compensates the investor for the risk. We have observed this phenomenon across all credit classes of municipals as the demand for bonds exceeds the supply available in the market. We believe the new tax code, which severely limits the State and Local Tax deduction, has helped push even more cash into municipal strategies in an attempt to limit additional personal tax liabilities. Perhaps more broadly, as global rates remain exceedingly low across the board, capital is moving to any place it can find a yield slightly better than 1% or 2% - this includes crossover buyers in the muni space, such as foreign or tax-exempt entities.

[17] Bloomberg.
[18] Lipper U.S. Fund Flows.
[19] Lipper U.S. Fund Flows.

Figure 3: Fund Flows





Unfortunately, the interest rate and fund flow data point to a dynamic in our corner of the muni market where Street deal pricing remains unattractive for our clients and we continue to double down on our strategy of sourcing, structuring, and buying offerings away from the market. While disappointing from an opportunity perspective, as frequent readers of this section can attest, this is a movie we have seen before – prior to the last financial crisis and again in 2014 until the election in 2016. When rates plumb lows and the market is fighting to invest money, we slow down – we have no qualms playing foil to the hare – slow and steady wins the race. In fact, we used the downtick in yields this year to sell some bonds at premium prices, locking in long term capital gains to generate an all-in after tax return on investment for the client that we believe is attractive. We don't often look to move bonds out of the portfolio, even at a significant premium. However, when we can sell bonds for clients at prices far north of what we would pay, sometimes the risk/reward pendulum swings towards sell. Until rates move up again, we will look to selectively sell where it makes sense, always factoring in the tax consequences of such actions.

As we preach over and over, the key to generating sustainable returns is through the income derived from the tax-exempt coupons and we refuse to compromise on either the absolute rate or spread at which we acquire those coupons for clients. We feel this is a more prudent way to generate returns than buying low coupon bonds and hoping interest rates go down even further. We simply refuse to put money to work below appropriate absolute yields, even in low interest rate environments. And while interest rates are low for now, we continue to prepare the portfolio for any interest rate environment. If interest rates do rebound upward, the income from clients' bonds is not affected by rising interest rates and the ability to reinvest at prevailing rates is a powerful multiplier. Further, the steps we have taken over the last three years to limit the duration of the portfolio means that price moves should be less pronounced than comparable investments that lack these features. Regardless of which direction rates move, we feel our strategy will provide tax efficient income during all market cycles and levels of volatility.

Aggressive Tactics

Perhaps unsurprisingly, the fund flows are driving lenders to extend credit without many of the protections that they ought to demand. We have seen behaviour this year reminiscent of the 2006/2007 credit cycle. Deals are getting done without appropriate covenants packages, lacking proper remedies, and in some cases without the basic reserve funds that are standard in municipal project finance deals. This is not surprising given the way that many funds raise and deploy capital. However, rest assured this is not the way Hamlin puts client money to work.

We are committed to ensuring the absolute yield is commensurate with the risk but we are resolute in securing our full covenant packages for these deals. We do not relax covenants, remedies, or reserve funds requirements for Hamlin-sourced financings. We have walked away from several deals this year and will continue to do so if necessary. We are cautioning clients that it may take longer to get them fully invested but we ask for patience as we strive to protect their capital and invest it prudently. Finally, as a reminder (and a potential governor on investment), Hamlin partners and employees are invested alongside Hamlin clients on these bond deals.

End of Year Tax Loss Sales

As we turn our thoughts to the 4th quarter (already!), as usual Hamlin will engage in tax loss harvesting for clients that wish to participate. Please reach out to Charlie Harkin (charkin@hamlincm.com) prior to November 8th and let us know if you wish to participate. We will NOT include any clients unless they specifically reach out to us. Recall that HCM Equity portfolio managers proactively harvest losses throughout the year as they see fit.

When engaging in tax-loss harvesting for the high-yield municipal bond strategy, your account will sell bonds with unrealized losses and may repurchase the bonds after one month at a higher or lower price level. Further, in order to facilitate tax-loss harvesting, Hamlin generally uses client cross transactions to reallocate bonds among clients. A cross transaction occurs when Hamlin causes one client to sell a bond to another client in an arms-length transaction executed by a 3rd party broker dealer. In order to participate in the tax-loss harvesting strategy, your account will have to facilitate transactions for other clients also participating in tax-loss harvesting, either after or prior to the month during which your losses were harvested. As such, your account will also have, for the facilitation month, additional exposure to the tax-loss harvested bonds. While Hamlin generally selects bonds that, in our best judgment, we do not believe will change significantly in price, your account may nevertheless be subject to fluctuations in price and the bonds may be repurchased out of your account at a higher or lower price level, resulting in short term gains or losses. Please consult our

Form ADV Part 2A for further information on our cross trading and brokerage practices. Finally, please note that in order to trade the bonds, the bonds incur a mark-up or mark-down charged by the broker-dealer.

As usual, the tax loss securities will be chosen by Hamlin. Please contact us with any questions should you wish to understand more about the process. Again, to be included in tax loss harvesting, please reach out to Charlie Harkin at charkin@hamlincm.com. The deadline for informing HCM will be **November 8th**.

Performance

The Hamlin Capital Management Municipal Bond Composite for the first three quarters of 2019 delivered a return of 7.39%.[20] As the market bounces around, we strive to continuously deliver a robust stream of tax-exempt income to clients. We believe that we have positioned the portfolio in a way that will capture value for clients regardless of the direction of interest rates. Hamlin will endeavor to continue to buy bonds with attractive absolute yields at above market spreads for HCM clients.

We remain dedicated to our fundamental credit analysis and research. In general, our portfolio holdings in essential social service projects in the Education and Senior Living sectors continue to perform well. HCM clients should rest assured that their bonds are generally secured by a first mortgage on property, plant, and equipment, not a pledge of *ad valorem* tax revenue. As always, we are committed to capital preservation and income generation.

[20] The performance provided is a preliminary estimate as Q3 performance has not yet been examined by ACA Performance Services, and may be subject to change.

Figure 4: Fixed Income Performance

	HAMLIN BOND COMPOSITE (% Net of Fees)	Cumulative	BARCLAYS HIGH YIELD 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 YTD	7.39	270.47	9.69	300.11
18.75 Years Annual Compound	**5.45**		**6.04**	

Source: Hamlin Capital Management. 2019 YTD performance has not yet been examined by our independent verification service provider, ACA Performance Services. See GIPS disclosure at the end of this report.

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 Mark Stitzer

Benjamin Kaufman 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

- *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.*
- *The Russell 3000 Growth Index is a market capitalization-weighted index of the growth segment of the 3,000 largest U.S. public companies.*
- *The Russell 3000 Value Index is a market capitalization-weighted index of the value segment of the 3,000 largest U.S. public companies.*
- *Dow Jones U.S. Select Dividend Index is an index composed of relatively high dividend paying companies.*
- *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.*
- *Beta: A coefficient that measures the systemic risk of an individual stock or portfolio relative to the entire market; beta describes how security returns respond to swings in the market.*
- *Capital expenditures are funds a company spends in order to acquire, upgrade, and maintain physical assets such as property, buildings, an industrial plant, technology, or equipment.*
- *Dividend yield is the ratio of a company's annual dividend compared to its share price.*
- *Free Cash Flow represents the cash a company is able to generate after required investment to maintain or expand its asset base.*
- *Return on equity is a measure of financial performance calculated by dividing net income by shareholders' equity.*
- *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.*
- *Purchasing Managers Index is an index of the prevailing direction of economic trends in the manufacturing and service sectors. It consists of a diffusion index that indicates, based on purchasing managers, if market conditions are expanding, stable, or contracting.*

Hamlin Capital Management, LLC
Equity Only Composite
Annual Disclosure Presentation
January 1, 2001 through June 30, 2019

Year	Total Firm Assets (mm)	Composite Assets (mm)	Number of Portfolios	Composite Net Return	S&P 500 Return	Internal Dispersion	Composite 3-Yr St Dev	S&P 500 3-Yr St Dev
*YTD 2019	4,569	1,599	658	12.97%	18.54%	N.A.	N.A.	N.A.
2018	4,253	1,504	688	-6.97%	-4.38%	0.64%	10.37	10.80
2017	4,553	1,772	683	15.84%	21.83%	1.29%	10.27	9.92
2016	3,617	1,623	679	14.93%	11.96%	1.26%	11.05	10.59
2015	3,186	1,373	725	-4.54%	1.38%	0.66%	9.91	10.48
2014	3,077	1,414	704	10.93%	13.69%	0.51%	8.57	8.97
2013	2,703	1,234	624	32.72%	32.39%	1.04%	10.19	11.94
2012	2,029	798	480	11.03%	16.00%	1.12%	12.39	15.09
2011	1,623	584	388	10.16%	2.11%	0.71%	14.11	18.71
2010	1,033	191	220	20.65%	15.06%	2.22%		
2009	714	30	51	20.98%	26.46%	2.69%		
2008	584	12	30	-28.57%	-37.00%	4.45%		
2007	734	18	31	3.97%	5.49%	2.86%		
2006	869	29	48	7.90%	15.79%	5.93%		
2005	716	31	42	20.80%	4.91%	4.90%		
2004	501	19	26	22.80%	10.88%	7.67%		
2003	130	8	24	30.40%	28.68%	9.87%		
2002	49	5	29	0.90%	-22.06%	6.15%		
2001	21	6	34	0.99%	-11.93%	10.69%		

* Performance represents a non-annualized partial period return ending on June 30, 2019.

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 is provided solely as a widely recognized index. The index is in no way indicative of the strategy employed in this composite. It is the position of Hamlin Capital Management, LLC ("Hamlin") that a meaningful benchmark is not available for this strategy due to the frequent and customized changes in allocation in individual accounts. 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. 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.

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, 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 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 June 30, 2019. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Equity Only Composite has been examined for the periods beginning January 1, 2001 through June 30, 2019. The verification and performance examination reports are available upon request. The policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.

Hamlin Capital Management, LLC
Bond Only Composite
Annual Disclosure Presentation
January 1, 2001 through June 30, 2019

Year	Total Firm Assets (mm)	Composite Assets (mm)	Number of Portfolios	Composite Net Return	BHYMBI Return	Internal Dispersion	Composite 3-Yr St Dev	BHYMBI 3-Yr St Dev
*YTD 2019	4,569	805	251	5.43%	6.66%	N.A.	N.A.	N.A.
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 June 30, 2019.

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 solely to allow for comparison to a widely recognized index. The index is in no way indicative of the strategy employed in this composite. It is the position of Hamlin Capital Management, LLC ("Hamlin") position that a meaningful benchmark is not available for this strategy due to the frequent and customized changes in allocation in individual accounts. 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.

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. Hamlin maintains a complete list and description of composites, 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.

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