

April 2022

Q1 2022 Quarterly Newsletter

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Overview

Hamlin equity accounts declined approximately 0.96% during the first quarter while the S&P 500 Index declined 4.60% over the same period. Elevated inflation, the removal of Federal Reserve accommodation, and war in Ukraine combined to drive the S&P 500 Index down about 15%¹ from the highs at its worst in February. Hamlin bond accounts declined 1.66%. The Barclays High Yield Municipal Bond Index was down 5.43% as interest rates increased sharply over the quarter.

Equity Performance

We were pleased to beat the S&P 500 Index by 364 basis points in Q1. We attribute our outperformance relative to the broader market to lower Technology stock exposure and strength from our Healthcare, Energy and Materials holdings. The Russell 1000 Value Index ETF's ("IWD") declined 74 basis points in the quarter – in line with Hamlin's performance – as Value-oriented strategies trounced Growth portfolios.² The Dow Jones U.S. Select Dividend Index ETF ("DVY") jumped 5.25% in the first quarter largely thanks to its roughly 25% Utility sector bet—one of only two sectors to advance during Q1. The DVY's low Consumer Discretionary weighting and meaningful Energy stock exposure also helped. Hamlin's trailing three and five-year records versus that dividend-oriented index remain satisfactory.

Figure 1: Hamlin Composite Returns vs. Benchmarks as of March 31, 2022

	1Q22	1-year	3-year	5-year	10-year	Inception
Hamlin Composite	-0.96%	15.63%	15.15%	11.63%	11.86%	10.39%
Russell 1000 Value Index ETF (IWD)	-0.74%	11.43%	12.85%	10.12%	11.52%	7.31%
Dow Jones U.S. Select Dividend Index ETF (DVY)	5.25%	15.84%	13.37%	10.90%	12.42%	NA
S&P 500	-4.60%	15.65%	18.92%	15.99%	14.64%	8.05%

Source: Hamlin Capital Management. Performance is net of fees and periods over 1 year are annualized. 1Q22 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.

When evaluating performance relative to benchmarks, recall that we don't select securities to align your portfolio with any index's sector weightings or holdings. 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. Our 10.39% compound annual net return since inception indicates that an actively managed, concentrated portfolio of generous dividend paying stocks can provide attractive absolute and relative returns over time.

¹ The S&P 500 was down 14.61% from its intraday high on 1/4/22 to its intraday low on 2/24/22.

² The Russell 1000 Value Index ETF ("IWD") outperformed the Russell 1000 Growth Index ETF ("IWF") by 8.28% in the first quarter of 2022.

Equity Portfolio Discussion

Conoco Phillips, Abbvie, and Steel Dynamics led the portfolio during Q1 – gaining 32% on average. Conoco’s free cashflows are increasing briskly on the back of higher oil prices and capital expenditure restraint. The recent initiation of a variable dividend on top of the generous and growing regular payout has also attracted investor interest. Abbvie raised guidance for 2022 earnings above consensus. Re-opening means in-person Botox appointments, and management continues to express confidence that Rinvoq and Skyrizi revenues will offset much of Humira’s looming loss of exclusivity. Fourth quarter earnings from Steel Dynamics beat consensus on strong steel prices, solid downstream fabrication earnings, and an 8% buyback. The company recently pre-announced Q1 earnings that were well above consensus noting production from the new Sinton, TX facility and sustained demand in construction, industrial, and auto end markets.

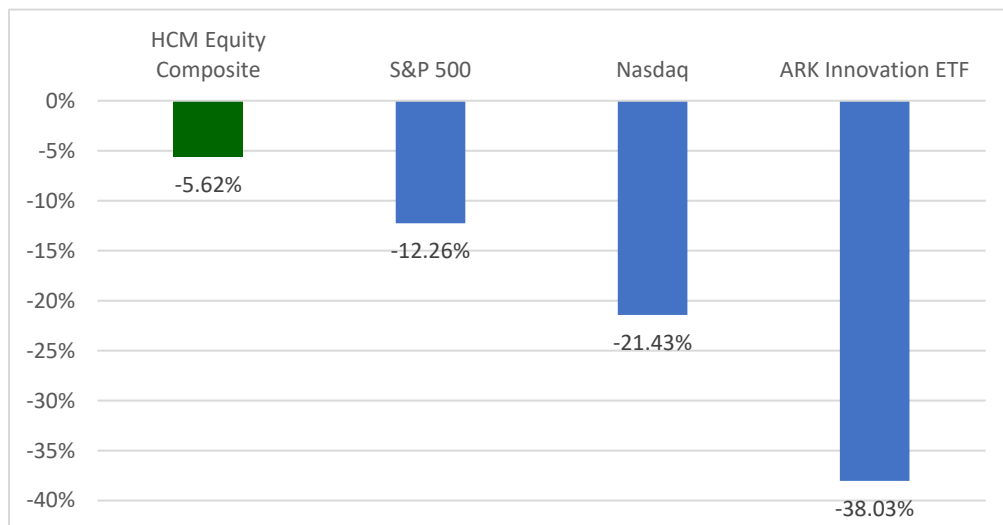
MDC Holdings, Home Depot and Hasbro were the weakest quarterly performers – declining 26% on average. While MDC revenues jumped 22% in the most recent quarter, the home builder is struggling to meet demand. Meanwhile, some investors worry that rapid home price appreciation and higher mortgage rates will push first-time buyers out of the market. We remain confident in a structural and favorable imbalance between home supply and demand. The stock’s low premium to book value, single digit PE, and 5.3% current yield suggest limited downside. Home Depot traded lower with the housing sector as a future slowdown in home price appreciation could diminish the appetite for home improvement projects. Although earnings growth will be modest this year after a record-breaking 24 months, the company announced a substantial 15% dividend increase and a \$200b annual sales target – implying meaningful growth from today’s \$150b revenue level. Hasbro guided below consensus calling out the loss of the Disney Princess contract to Mattel and inflation-driven pressure on consumer demand. In February, activist Alta Fox disclosed a stake in the company and has proposed a board shakeup to help realize value from the differentiated *Wizards of the Coast* franchise. Management has responded by proposing the appointment of two additional members to the board, setting up a proxy contest.

We are happy to announce that 13 of our 26 holdings have already announced dividend hikes so far this year with an average increase of 10.6%. These actions validate our research analysis and increase your portfolio cash flow. Corporate boards generally announce dividend increases only when they envision strong cash flow growth in the future. Client income has been compounding at 7.1% over the last seven years through 2021, and we aspire to grow portfolio income at a mid-single digit rate over time.

Equity Market & Portfolio Outlook

Hamlin’s defensive characteristics were on display this quarter. The Nasdaq Composite dropped into bear market territory – losing 25% from its intraday highs – as increasing interest rates punished high-PE stocks. Our focus on manageable debt loads, ample free cash flow, high returns on invested capital, high current yield, and attractive valuation appeared to pay off. We suspect that some investors gravitated to our stocks noting that their double-digit dividend increases were above the concerning rates of consumer price index inflation.

Figure 2: Draw Downs at Q1 2022 S&P 500 Low (3/8/2022)



Source: Factset and Hamlin Capital Management. ARK Innovation ETF is included as representative of an retail-oriented aggressive growth investment approach.

From here equities should track investors' assessment of the Fed's capacity to slow inflation without causing a recession. We share valid, consensus concerns regarding a flattening yield curve, elevated oil prices, Utility sector strength, and Consumer Discretionary sector weakness. While these reliable indicators of impending recession are flashing yellow, we think the economic expansion may have legs. Not only is the upcycle relatively nascent and underpinned by growing incomes, excess consumer savings and a latent desire to spend³, but our companies continue to signal growth ahead.

Paychex, a leading payroll processor and human resource solutions company, just confirmed broad-based growth in both their aggregate number of employees serviced and in the wages per employee. Higher selling prices underpin our expectations for high-single digit earnings growth for our twenty-six holdings in 2022. We remain excited about our companies' revenue growth prospects driven by product cycles and market share gain opportunities. We are equally excited about several watchlist companies that meet Hamlin criteria and trade more cheaply than the broader market.

Higher central bank interest rates and related "growth scares" are in front of us. While optimistic about our holdings' prospects and valuations, chopiness and even a return to February lows at some point would not surprise us. As Fed accommodation recedes, we are comforted to own quality businesses with an average net debt-to-capital ratio of 33.5%, median 25.0% return on equity, and average 13.4x forward PE multiple.

³ According to FRED, the United States GDP has been expanding for 21 months. On average, United States GDP has grown for 99 months since World War 2. As of 12/31/21, the United States Household and Nonprofit Organization Net worth is at an all-time high.

Fixed Income Performance

The Hamlin Capital Management High Yield Municipal Bond Composite performed well during a very difficult quarter, down 1.66%. The last several years of disciplined investment is protecting HCM client portfolios from the pronounced move up in interest rates – even as broader indices and funds in the high yield municipal space fall dramatically.

Our steadfast commitment to putting money to work only at attractive absolute yields on quality non-rated projects has put the portfolio in good shape to weather this period of interest rate increases. In addition, consistent focus on credit has helped shelter the portfolio from defaults throughout and following the Pandemic. We will continue to manage through this new volatility with the same steady hand you have come to expect from us here at Hamlin and which guided us through 2008, 2011, 2013 and 2020.

We believe our commitment to absolute return (not just spread investing) and duration management is particularly important and evident in this quarter’s outperformance. This commitment protected the portfolio during the extreme interest rate volatility in 2020 and is doing so again. For years we have focused on not only buying above market yields but also pursuing bond deals with shorter maturities or with an array of adjustable coupons – fixed for a period with a reset to prevailing rates. This is not a knee-jerk reaction: it has been a thoughtful and purposeful transition we started in 2016. This effort coupled with other variable rate securities, puts, and simply shorter maturities, has produced a portfolio that has stood up to rising rates not only better than other high yield municipal managers but many rated municipal and taxable managers.

Figure 3: Hamlin Fixed Income Performance Comparison⁴

	YTD Return as of 3/31/22 (Net)	Calendar Year 2021 Return (Net)
HCM Main Composite	-1.66%	5.44%
Nuveen (NHMAX)*	-7.23%	9.68%
Bloomberg HY Muni Index (LMHYTR)	-6.53%	7.77%
VanEck HY Muni ETF (HYD)	-7.54%	5.05%
iShares National Muni ETF (MUB)	-5.43%	1.02%
iShares Core US Aggregate ETF (AGG)	-5.85%	-1.77%

**Active Manager comparison selected represents the largest HY Municipal Bond Mutual fund by AUM. Please see disclosures for 1yr/3yr/5yr/10yr performance. Non-HCM mutual fund performance sourced from Bloomberg; assumes reinvestment of dividends + cap gains.
Data accessed on 4/7/2022*

⁴ Past performance does not guarantee future results. HYD tracks the price and yield performance of a HY municipal bond index, MUB tracks an investment grade municipal bond index, and AGG tracks a broad U.S. bond market index.

In addition to focusing on the shorter end of the curve, we also continue to implement tried and true strategies to navigate a rising interest environment, including:

- Higher coupons – Compounding large tax exempt 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 tax exempt 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.
- Yield discipline – In addition to spread discipline, we keep absolute yield levels in mind. While there may be some exceptions, we are committed to targeting 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.

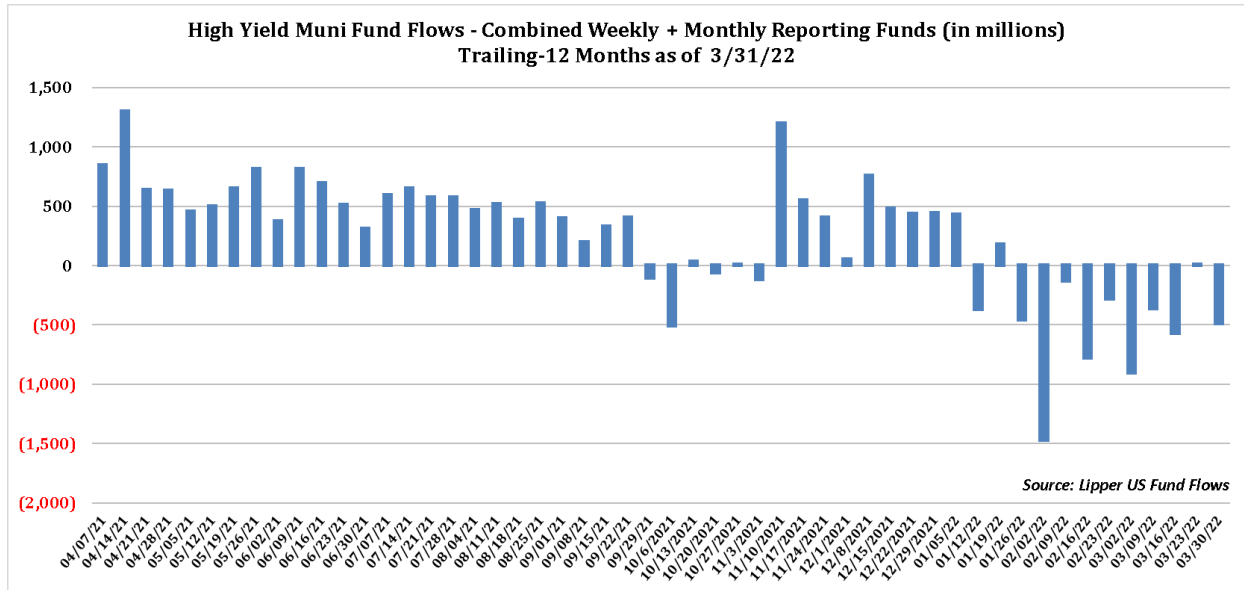
As we preach over and over, the key to generating sustainable returns is through the income derived from the generally tax-exempt coupons. That income is not affected by rising interest rates and the ability to reinvest at prevailing interest rates is a powerful multiplier. Further, the steps outlined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

Market Commentary

If 2021 was a respite from the pandemic year of 2020, that calm ended quickly as volatility returned to the fixed income markets with a vengeance in 2022. U.S. 10 Year Treasuries climbed 81 basis points to end the quarter yielding 2.32%. Even more dramatic has been the move in short rates – the 2 Year Treasury climbed 159 bps to 2.28%. No doubt a result of the Federal Reserve issuing their first Federal Funds rate hike since 2019 to a target rate between 0.25% and 0.50%. They have indicated another 6 rate hikes on the horizon for this calendar year. These moves come as the Fed’s expectation of “transitory” inflation turns into a very non transitory problem for consumers as growth projections slow for the U.S. economy but costs continue to rise. All of this has been exacerbated by the war in Ukraine which has further skewed the supply chain and disrupted the world economy.

Municipal bonds followed Treasuries (and then some) as the muni curve also flattened with 10 year yields climbing 115 basis points and 2 year yields up 152 basis points. The underperformance relative to Treasuries is attributable to a reversal of mutual funds fortunes as they were (finally) hit by outflows this quarter. Total muni funds saw -\$21.89 billion go out the door so far this year while high yield funds have lost -\$5.18 billion. After the highest year of inflows on record in 2021, this reversal had a major effect on pricing for both new deals coming to market and projects already in the secondary. Last year, even as interest rates broadly moved up, positive flows kept a lid on rising municipal new issuance yields. This year, without these inflows, the market is seeing major adjustments.

Figure 4: High Yield Muni Fund Flows



This dislocation in rates and reversal of fund flows creates an opportunity for HCM clients. After many years of patiently sourcing and structuring “Hamlin” deals, we are finally seeing the broader “Street” market come back to our levels. This does not mean that we will change our requirements for investment or our commitment to fundamental credit analysis. However, it does mean that we may see more opportunities in the primary and secondary markets to buy quality names in our sectors at attractive levels. To date this year, most of our purchases (and forward calendar) are still Hamlin sourced deals. However we are excited about potential market driven opportunities going forward.

Credit Update

Our portfolio has come through this volatility with no new defaults due to Covid-19 related issues and no new payment interruptions through 3/31/2022. While the future remains uncertain, we are not currently expecting any new Covid-related payment interruptions. We are seeing the benefits now of years of focused and discipline investment in the Hamlin Portfolio.

Senior Living: The broader municipal market saw an uptick in defaults in the senior living space last year with over \$1.06 billion across 24 different issuers.⁵ The Pandemic-induced drop in census and revenue that hit many facilities continues to cause operational issues for many poorly capitalized facilities. There were several highly leveraged and high-profile deals that defaulted last year – all of which Hamlin skillfully 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.

⁵ Bloomberg Default & Distress Report as of 12/31/21; includes CCRCs, standalone Assisted Living facilities, and standalone Nursing Facilities; data accessed on 4/7/22

Having made it through the toughest 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 vaccines and boosters have 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. While we may have some issues on an idiosyncratic basis, we are confident that our projects will 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 at this time. 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.

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:

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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.*
- *Bloomberg-Barclays High Yield Municipal Bond Index measures the return of a market value-weighted basket of non-investment grade municipal bonds.*
- *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 is the operating cash flow in excess of working capital and fixed asset expenditures.*
- *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.*
- *Return on invested capital is calculated by dividing after tax operating income by the cost of equity and debt.*
- *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.*

	1 Year	3 Year	5 Year	10 Year
Hamlin Bond 1 Year Composite	2.87%	4.83%	5.19%	5.37%
Nuveen (NHMAX)	-0.79%	3.89%	5.31%	6.11%
Bloomberg HY Muni Index (LMHYTR)	-1.35%	4.04%	5.25%	5.44%
VanEck HY Muni ETF (HYD)	-4.41%	0.89%	2.83%	3.73%
iShares National Muni ETF (MUB)	-3.86%	1.53%	2.32%	2.52%
iShares Core US Aggregate ETF (AGG)	-4.18%	1.64%	2.10%	2.18%

*HCM Bond 1 Year Composite Inception Date: 1/1/2001 | NHMAX Inception Date: 6/7/1999
 HYD Inception Date: 2/4/2009 | MUB Inception Date: 9/7/2007 | AGG Inception Date: 9/22/2003*

	HAMLIN BOND COMPOSITE	Cumulative	BLOOMBERG-BARCLAYS HIGH MUNICIPAL INDEX	Cumulative
	(% Net of Fees)		(% No Transaction Costs or Fees)	
2001	4.54	104.54	4.45	104.45
2002	7.22	112.09	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	205.17	13.84	227.07
2015	4.80	214.98	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	251.86	4.76	273.60
2019	8.69	273.75	10.68	302.82
2020	5.17	287.91	4.89	317.63
2021	5.43	303.54	7.77	342.31
2022 YTD	-1.66	298.50	-6.53	319.95
21.25 Years Annual Compound	5.28		5.63	

Source: Hamlin Capital Management and Bloomberg Index Services Limited. The performance provided is a preliminary estimate as Q1 2022 performance has not yet been examined by ACA Performance Services and may be subject to change. Individual accounts vary.

Hamlin Capital Management, LLC
Equity Only Composite
GIPS Report
January 1, 2001 through December 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
2021	5,841	1,891	560	31.32%	28.71%	25.16%	0.65%	18.38	17.17	19.05
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%			

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 12/31/21 date, these accounts represent 21.08% 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 December 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 December 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.

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Hamlin Capital Management, LLC
Bond Only Composite
GIPS Report
January 1, 2001 through December 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
2021	5,841	1,293	370	5.43%	7.77%	0.60%	4.15	8.34
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%		

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.

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 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 Bond 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 December 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 Bond Only Composite has had a performance examination for the periods January 1, 2001 through December 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.

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