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## Q3 2022 Quarterly Newsletter

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## Overview

Hamlin equity accounts decreased 2.27% over the last three months net of fees while the S&P 500 Index declined 4.88% during a very volatile third quarter. Increasingly hawkish commentary from Federal Reserve officials and negative earnings pre-announcements dashed a summertime bear market rally. Hamlin bond accounts declined 2.13% net of fees, outperforming the Bloomberg High Yield Municipal Bond Index's 4.83% decline for the quarter.

## Equity Performance

While unhappy to be down for the year, we are pleased with the portfolio's resilience. Hamlin's -14.08% return for the year through September compares favorably to the S&P 500 Index and the Russell 1000 Value Index's -23.87% and -17.78% declines, respectively. We are lagging the Dow Jones U.S. Select Dividend Index so far in 2022, reflecting our lower Utility and higher Consumer Discretionary weightings.<sup>1</sup>

**Figure 1: Hamlin Composite Net Returns vs. Benchmarks as of September 30, 2022**

	3Q22	YTD '22	1-year	3-year	5-year	10-year	Inception
Hamlin Composite (Net)	-2.27%	-14.08%	-4.71%	7.62%	7.40%	9.72%	9.42%
Russell 1000 Value Index ETF (IWD)	-5.56%	-17.78%	-11.40%	4.23%	5.15%	8.99%	6.22%
Dow Jones U.S. Dividend Index ETF (DVY)	-7.76%	-10.23%	-3.40%	5.52%	6.50%	10.11%	NA
S&P 500 Index	-4.88%	-23.87%	-15.47%	8.16%	9.24%	11.70%	6.75%

Source: Hamlin Capital Management. Periods over 1 year are annualized. 3Q22 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. Please see additional disclosures at end.

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 9.42% 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.

## Equity Portfolio Discussion

STORE Capital Corp, ConocoPhillips, and Genuine Parts Company led the portfolio in the third quarter – gaining 16.88% on average.<sup>2</sup> Singapore's sovereign wealth fund teamed up with Oak Street to bid \$32.25/share for STORE in September. The welcome 20% premium validated our investment thesis for the single-tenant operational real estate company. Investors celebrated Conoco's decision to return an additional \$5 billion of capital to shareholders. Regular dividends, variable dividends, and stock buy backs should total \$15 billion in 2022, representing about 12% of ConocoPhillips' market capitalization. Higher oil prices and capital expenditure discipline have combined to drive free cashflow growth. Genuine Parts' second quarter earnings exceeded the high end of estimates as elevated miles driven and strong used car sales boost demand for NAPA auto parts. The company's Motion Industries division

<sup>1</sup> The Russell 1000 Value and Dow Jones Dividend Index returns above refer to the underlying ETF's, IWD and DVY, respectively.

<sup>2</sup> Ares Management Corp and Cummins Inc. were the 4th and 5th top contributors – increasing 7.85% on average.

delivered 17.8% revenue growth thanks to an accretive acquisition and brisk post-Covid manufacturing demand for maintenance, repair, and operations supplies.

Hasbro, Inc., CME Group Inc, and AbbVie Inc. detracted the most from quarterly performance – declining 13.84% on average.<sup>3</sup> Hasbro fell in line with several other Consumer Discretionary names – such as Mattel – with consumer budget concerns. We believe a build-up in inventories and full-year guidance reliant on a strong 4<sup>th</sup> quarter also contributed to stock price weakness. While CME delivered strong second quarter revenues and earnings driven by double digit year-over-year contract volume growth, average daily trading volume has fallen sequentially this quarter. Volumes across rates, foreign exchange and equity indices remain historically robust due to capital markets volatility. After a strong first half of the year, AbbVie shares fell in the 3<sup>rd</sup> quarter in line with many pharmaceutical peers. The company’s blood cancer drug Imbruvica is facing steeper-than-expected competition, while demand for Juvederm fillers softened due to lower consumer spending.

We are happy to announce that 19 of our current holdings have announced dividend hikes so far in 2022 at an above-CPI average rate of 12.92%.<sup>4</sup> This welcome action validates our research analysis and increases your portfolio cash flow. We expect our remaining seven companies to announce dividend increases by year-end. Corporate boards generally announce dividend increases when they envision strong, longer-term cash flow growth. Client income has been compounding at 10.1% over the last ten years through 2021<sup>5</sup>, and we aspire to grow portfolio income at a mid-single digit rate over time.

## Equity Market & Portfolio Outlook

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Higher mortgage rates are already impacting home prices. Lower stock prices also reduce consumer net worth and the desire to purchase. Prominent companies such as FedEx, Nike, and Eastman Chemical are complaining about a meaningful slowdown in business activity. Global central bank tightening in response to elevated inflation is the primary culprit. Price-to-earnings ratios are no longer extended<sup>6</sup>, but earnings estimates may need to come down. Higher wages and material costs will squeeze some companies’ margins, and consumers could spend less as inflation pressures budgets.

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<sup>3</sup> Procter and Gamble Co and Public Service Enterprise Group Inc. were the 4th and 5th top detractors – declining 11.03% on average.

<sup>4</sup> Bloomberg. This includes current holdings that raised their dividend in 2022 prior to being added to the Hamlin portfolio. 20 companies increased dividends while in the portfolio in 2022 at an average rate of 11.12%.

<sup>5</sup> The 10-year CAGR of portfolio income reflects the increase in income for calendar 2011 through 2021 for the universe of accounts defined below. Portfolio income growth is updated on an annual basis. Future growth may be materially different and is not guaranteed. Income is shown net of foreign dividend withholding taxes for the period prior to 10/1/2016 and gross subsequent. Income includes dividend accruals starting 10/1/2016. The income and performance shown is for the universe of accounts, measured annually, that: (1) had no contributions or withdrawals other than Hamlin’s management fee in the year that income and portfolio value was captured, (2) was open for the entirety of the year in question; and (3) present in the equity only composite. The values and income were captured on a year-by-year basis and normalized based on the prior year values with a starting value of \$1,000,000. While Hamlin believes that the performance for the accounts is representative of the Equity Only Composite, some differences may exist and performance may diverge from that of the Equity Only Composite going forward. Due to the time period requirements for inclusion, a survivorship bias may be present as only a small fraction of composite accounts is included. Dividend growth represents the average dividend increase of the companies that raised their dividend while they were owned in the Equity Only Composite. Individual portfolio and the Equity Only Composite returns and dividend income vary.

<sup>6</sup> The S&P 500 Next-Twelve-Months P/E ratio has retreated from 21.1x on 12/31/21 to 15.3x as of 9/30/22, in line with the 15.8x average NTM P/E since 2005. Factset.

**Figure 2: Bear Market Declines & Durations**

Bear Markets for the S&P 500			
High Date	Low Date	% Change	#Days
5/29/1946	5/17/1947	-28.8%	353
6/15/1948	6/13/1949	-20.6%	363
8/2/1956	10/22/1957	-21.6%	446
12/12/1961	6/26/1962	-28.0%	196
2/9/1966	10/7/1966	-22.2%	240
11/29/1968	5/26/1970	-36.1%	543
1/11/1973	10/3/1974	-48.2%	630
11/28/1980	8/12/1982	-27.1%	622
8/25/1987	12/4/1987	-33.5%	101
3/24/2000	9/21/2001	-36.8%	546
1/4/2002	10/9/2002	-33.8%	278
10/9/2007	11/20/2008	-51.9%	408
1/6/2009	3/9/2009	-27.6%	62
2/19/2020	3/23/2020	-33.9%	33
<b>Mean</b>		<b>-32.1%</b>	<b>344</b>
<b>Median</b>		<b>-31.2%</b>	<b>358</b>

**Figure 3: Forward Equity Returns When SPX Down 20%**

Date Bear Market Starts	Subsequent S&P 500 1 Year Return	Subsequent S&P 500 2 Year Return
9/9/1946	-0.8%	5.3%
6/13/1949	42.1%	59.0%
10/21/1957	31.0%	44.4%
5/28/1962	26.1%	44.8%
8/29/1966	24.6%	37.3%
1/29/1970	10.7%	21.6%
11/27/1973	-28.1%	-5.0%
2/22/1982	32.1%	38.3%
10/19/1987	22.9%	54.4%
3/12/2001	-1.2%	-31.9%
7/10/2002	7.4%	20.9%
7/9/2008	-29.1%	-13.4%
2/23/2009	47.3%	75.9%
3/12/2020	59.0%	69.5%
<b>Average</b>	<b>17.4%</b>	<b>30.1%</b>
<b>Median</b>	<b>23.8%</b>	<b>37.8%</b>

Figure 2 Source: Bloomberg. Bear market defined as a minimum 20% loss in price level from the prior high.

Figure 3 Source: Bloomberg.

This bear market is 270 days old, about three months shy of the median duration for modern era bear markets. We still think a further retreat to the pre-Covid 2019 S&P 500 Index 3,375 level is plausible. That would equate to a reasonable 15x P/E on \$225.00 in earnings per share – about a 6.5% reduction to the current 2023 Wall Street consensus estimate.<sup>7</sup> At that level, the stock market would be down 30% from the January 2022 peak – in line with the median 31.15% peak-to-trough bear market decline shown above. Having compounded at 16.53% for ten years, the S&P 500 Index return was due for a reversion towards the long-term 9.74% annual equity return.<sup>8</sup> Nobody should be surprised by this year’s tougher tape.

Although a further decline for the S&P 500 index makes sense based on our analysis above, stocks may have already discounted much of the recession predicted by many economists. Détente in Ukraine or, more likely, a plateau in 10-year Treasury yields would be welcome. Ten-year Treasury yields have peaked about two months before the peak in Fed Funds since 1995.<sup>9</sup> A pause in Fed Funds increases at the end of this year or early next seems likely to us given rolling commodity prices, plunging money supply growth, weak global growth, and lower market-based inflation expectations. Stable discount rates would help though we see risk to corporate earnings estimates. While bearishness pervades, a contrarian buy signal, we do not sense investor capitulation.

Through this period of volatility, we are comforted to own *quality* businesses with plentiful free cashflow generation, a weighted average net debt-to-capital ratio of 37.0%, and a median 30.8% return on equity. Our stocks trade at an

<sup>7</sup> As of 9/30/22, the consensus estimate for S&P 500 2023 EPS was \$239.51. Factset.

<sup>8</sup> From 1928 to 2021.

<sup>9</sup> Factset.

attractive harmonic average 12.1x forward P/E multiple with a weighted average current yield of 3.8%.<sup>10</sup> We remain excited about our companies' long-term revenue growth prospects driven by product cycles and market share gain opportunities. Our investment posture reflects both the danger in attempting to time the market and the historical return pattern coming out of bear markets. Figure 3 suggests that adding to stocks or at least sitting tight when the S&P 500 has declined 20% has generally proved advantageous.

## Fixed Income Performance

The Hamlin Capital Management High Yield Municipal Bond Composite performed well during a historically difficult first three quarters of the year, down -5.03%. The last several years of disciplined investment are helping protect 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 projects has put the portfolio in good position 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 our YTD 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 we believe has stood up to rising rates.

**Figure 4: Fixed Income Market Color**

	YTD Total Return (Net)	Calendar Year 2021 Total Return (Net)	Calendar Year 2020 Total Return (Net)
HCM Main Composite	-5.03%	5.44%	5.17%
HCM Short Composite	-4.02%	4.63%	3.38%
Bloomberg HY Muni Index (LMHYTR)	-16.03%	7.77%	4.89%
VanEck HY Muni ETF (HYD)	-18.08%	5.05%	0.18%
iShares National Muni ETF (MUB)	-10.64%	1.02%	5.12%
iShares Core US Aggregate ETF (AGG)	-14.38%	-1.77%	7.48%

YTD is as of 9/30/22. Please see disclosures for 1yr/3yr/5yr/10yr/Inception performance. Non-HCM performance sourced from Bloomberg COMP function; assumes reinvestment of dividends. HYD represents the largest High Yield Municipal Bond ETF by assets and reflects the HY municipal market; MUB represents the largest Investment Grade Municipal Bond ETF by assets and reflects the IG municipal market; AGG is provided for broad fixed income market color; Data accessed on 10/4/2022. Hamlin Composite Q3 2022 performance has not been examined by ACA Performance Services and is subject to change.

<sup>10</sup> As of 9/30/22. Harmonic P/E calculation: total equity market capitalization dividend by total net income attributable to equity holdings. The denominator is the EPS multiplied by the number of shares held for each company in the equity portfolio, which is then summed. The denominator represents the net income attributable to equity holdings for each given period based on either historical information or consensus estimates from FactSet. Data used to calculate Harmonic P/E is obtained from FactSet.

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. This robust stream of income gives us fresh capital to be opportunistic during market corrections.
- 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 seek to target minimum absolute yield levels of 6.5% plus for credit risk assumed on the long end of the yield curve and 5.75 to 6.25% 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

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Volatility continued in the fixed income markets through the third quarter of the year. After interest rates ended the 2<sup>nd</sup> quarter with a major uptick as June inflation came in higher-than-expected, yields fell as the market rallied into seasonal/technical strength (prices move inversely to yield). Rates also moved down as fears of an impending recession combined with a potentially more dovish Fed grew. However, as inflation numbers continued to come in high in August and September, the Fed, which initially may have been slow to raise, made it very clear they were (and are) willing to take the pain on the economy necessary to quash inflation. They backed this up with another 75 basis point hike to the target Federal Funds rate in September and the rate market reacted accordingly. The 10-year Treasury yield moved up another 82 bps this quarter to 3.83% and is now up 232 bps YTD from 1.51% where it started 2022. The target rate for the Fed is now 3.00-3.25%. The U.S. central bank has two more opportunities to hike this year and is forecasting a 4.4% rate by the end of 2022 and a 4.6% terminal rate in 2023<sup>11</sup>. Municipal bond yields followed Treasuries with 10-year AAA Muni yields climbing 58 basis points to finish the third quarter at 3.30%.

Municipal mutual funds continued to see large outflows into the second quarter. Total muni funds have seen approx. -\$91.5 billion go out the door so far this year while high yield municipal bond funds have lost approx. -\$15.1 billion<sup>12</sup>. After the highest year of inflows on record in 2021, this reversal has had a major effect on pricing for both new deals coming to market and projects available for purchase in the secondary market. Last year, even as interest rates broadly moved up, positive mutual fund flows kept a lid on rising municipal new issuance yields. This year, without these inflows, the market is seeing major adjustments. The last time we saw significant outflows was in the initial 2020

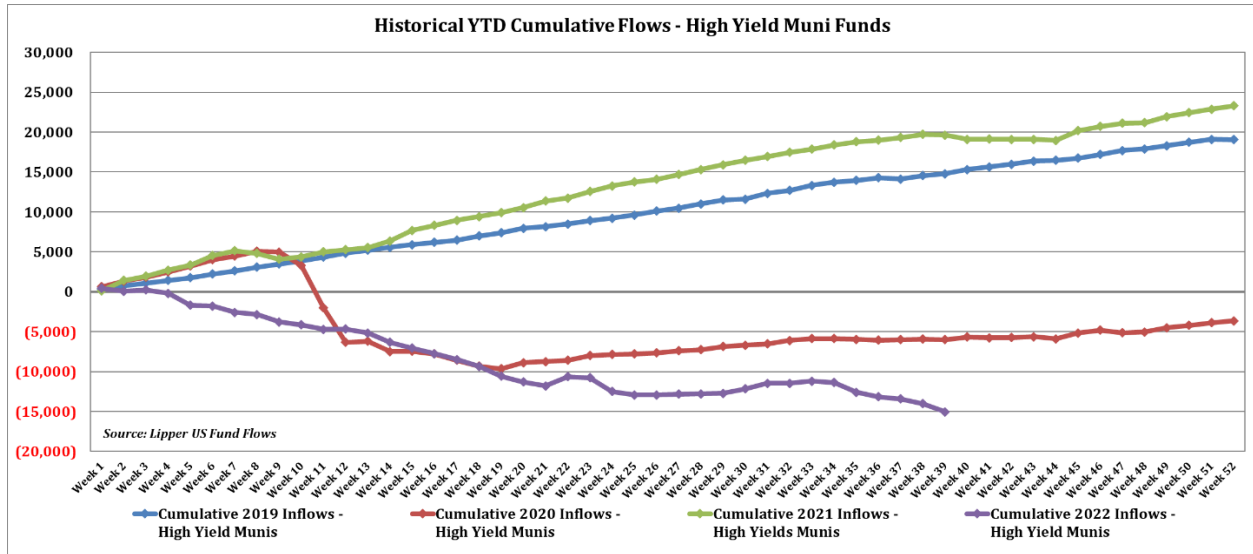
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<sup>11</sup> Per the FOMC Summary of Economic Projections (SEP) released on 9/21/2022.

<sup>12</sup> Per Lipper US Fund Flows; data as of 9/28/2022.

Covid-19 liquidity-driven sell-off. As you can see in Figure 5 below, cumulative negative flows are now greater than 2020, providing a good indication of just how consistent outflows have been this year. It is not surprising to us that the opportunity set has dramatically increased as those outflows reached and then surpassed the Covid year downturn.

**Figure 5: High Yield Muni Fund Flows**



## Market Opportunity

This dislocation in rates and reversal of fund flows creates a significant opportunity for HCM clients. After many years of patiently sourcing and negotiating “Hamlin” deals, we are seeing the broader “Street” market come back to our levels. We are taking inbound calls from bankers seeking execution on deals in the primary and brokers seeking execution on trades in the secondary. This does not mean that we will change our strict requirements for investment or our commitment to fundamental credit analysis. However, it does mean we are seeing more opportunities in the primary and secondary markets to buy quality names in our sectors at attractive levels. After a brief “summer vacation” (for the bankers), primary market activity has ratcheted up again in September as bankers and borrowers look to get deals done before year end.

We again opportunistically put client capital to work in the third quarter amidst the continued market sell off. We are capitalizing on the fact that we have funds to deploy when few others do and using this as an opportunity to increase credit quality and liquidity in the portfolio while simultaneously garnering what we believe are attractive total return investments. We had a healthy calendar in the third quarter, seeking higher coupons as well as capital appreciation - primarily focused on total returns in the 6% plus range with shorter duration. We are excited about the market right now and pleased with the risk/reward available for clients on new deals.

While the opportunity set is much improved, we remain disciplined on yield and credit. We wouldn’t be surprised to see spreads widen if/when the economy sputters and we want to ensure clients are as well protected from another potential leg down as they have been so far this year.

## Credit Update

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Our portfolio has come through this volatility with very limited credit issues. While the future remains uncertain, we are not currently expecting that to change. We are seeing the benefits now of years of focused and disciplined investment in the Hamlin Portfolio.

**Senior Living:** The broader municipal market saw an uptick in defaults in the senior living space in 2021 with over \$1.06 billion across 21 obligors<sup>13</sup>, a trend that has continued throughout 2022 with another ~\$512 million of defaults across 16 obligors<sup>14</sup>. 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.

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 Covid-related 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.

## Hurricane Ian

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Despite having large holdings in Florida, Georgia, and South Carolina, the HCM portfolio came through this hurricane largely unscathed. We have no large-scale issues and no storm-related casualties to residents or staff. While power went out for many facilities, the emergency plans (and generators) in place provided adequate response for seniors in our facilities to remain safe and healthy. Our largest Florida schools have reported that, despite temporary widespread school closures, they have had no major issues with buildings or flooding and are ready to restart when the relevant school districts restart school.

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<sup>13</sup> Bloomberg Default & Distress Report as of 12/31/21; includes CCRCs, standalone Independent Living facilities, standalone Assisted Living facilities, and standalone Nursing Facilities; data accessed on 4/7/22.

<sup>14</sup> Bloomberg Default & Distress Report as of 9/16/22; includes CCRCs, standalone Independent Living facilities, standalone Assisted Living facilities, and standalone Nursing Facilities; data accessed on 10/4/22.



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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.*
- *Bloomberg 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.*
- *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.*
- *P/E: 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 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.*
- *Dow Jones U.S. Select Dividend Index is an index tracking the performance of 100 high dividend paying companies, excluding REITs, meeting specific criteria for dividends, earnings, size and liquidity.*

	1 Year	3 Year	5 Year	10 Year
Hamlin Bond Only Composite	-3.51%	2.15%	3.91%	4.56%
Hamlin Short Bond Composite	-2.50%	1.63%	3.29%	N/A
Bloomberg HY Muni Index (LMHYTR)	-15.05%	-1.43%	2.30%	3.51%
VanEck HY Muni ETF (HYD)	-17.21%	-4.59%	-0.52%	1.70%
iShares National Muni ETF (MUB)	-10.04%	-1.53%	0.63%	1.50%
iShares Core US Aggregate ETF (AGG)	-14.47%	-3.27%	-0.29%	0.83%

HCM Bond Only Composite Inception Date: 1/1/2001 | HCM Short Bond Composite Inception Date: 7/1/2016 | HYD Inception Date: 2/4/2009 | MUB Inception Date: 9/7/2007 | AGG Inception Date: 9/22/2003

Non-HCM performance sourced from Bloomberg using COMP function; assumes reinvestment of dividends; HYD represents the largest High Yield Municipal Bond ETF by assets; MUB represents the largest Investment Grade Municipal Bond ETF by assets; AGG is provided for broad fixed income market color; Data accessed on 10/4/2022

	<b>HAMLIN BOND COMPOSITE</b> (% Net of Fees)	<b>Cumulative</b>	<b>BLOOMBERG MUNI HIGH YIELD INDEX</b> (% No Transaction Costs or Fees)	<b>Cumulative</b>
<b>2001</b>	4.54	104.54	4.45	104.45
<b>2002</b>	7.22	112.09	1.97	106.51
<b>2003</b>	9.14	122.20	13.22	120.59
<b>2004</b>	8.27	131.37	10.52	133.27
<b>2005</b>	7.94	141.81	8.58	144.71
<b>2006</b>	6.81	151.47	10.74	160.26
<b>2007</b>	4.27	157.93	-2.28	156.60
<b>2008</b>	-16.73	131.51	-27.01	114.31
<b>2009</b>	16.35	153.00	32.73	151.72
<b>2010</b>	7.06	163.81	7.80	163.56
<b>2011</b>	6.13	173.86	9.25	178.68
<b>2012</b>	7.43	186.78	18.14	211.10
<b>2013</b>	2.48	191.42	-5.51	199.47
<b>2014</b>	7.18	205.17	13.84	227.07
<b>2015</b>	4.80	214.98	1.81	231.18
<b>2016</b>	3.84	223.24	2.99	238.09
<b>2017</b>	8.22	241.59	9.69	261.17
<b>2018</b>	4.25	251.86	4.76	273.60
<b>2019</b>	8.69	273.75	10.68	302.82
<b>2020</b>	5.17	287.91	4.89	317.63
<b>2021</b>	5.43	303.54	7.77	342.31
<b>2022 YTD</b>	-5.03	288.28	-16.03	287.43
<b>21.75 Years Annual Compound</b>	<b>4.99</b>		<b>4.97</b>	

Source: Hamlin Capital Management and Bloomberg Index Services Limited. The performance provided is a preliminary estimate as Q3 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 June 30, 2022

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 2022	5,713	1,651	582	-12.08%	-19.96%	-12.86%	N.A.	N.A.	N.A.	N.A.
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%			

\* Performance represents a non-annualized partial period return ending on June 30, 2022.

**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 6/30/22 date, these accounts represent 22.32% 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 June 30, 2022. 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 June 30, 2022. 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 June 30, 2022**

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 2022	5,713	1,339	403	-2.96%	-11.77%	N.A.	N.A.	N.A.
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%		

\* Performance represents a non-annualized partial period return ending on June 30, 2022.

**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.

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