

# Hamlin High Yield Municipal Bond Strategy

"Tax-Efficient, Risk-Adjusted, Growth"

Fourth Quarter 2018

## Investment Objectives

Hamlin manages nonrated, tax-exempt high-yield municipal bonds which finance essential services across the country and include public charter schools, senior living facilities, and correctional facilities. We believe these projects offer solutions to pressing national challenges such as increasing incarceration rates, an inadequate national education system, and the aging of Baby Boomers. Our investment objectives are to protect invested capital and maximize after-tax yield. Historically, Hamlin fixed income portfolios have produced growing streams of income, positive total rates of return, and provided clients with access to cash flow.

## Investment Team

**Joseph J. Bridy**  
Portfolio Manager, Senior Partner  
Bucknell Univ, BA Finance & Economics, Cum Laude 1998  
Cornell University Johnson Graduate School of Management  
MBA in Finance with High Distinction, May 2004

**Benjamin P. Kaufman, CFA**  
Senior Analyst, Partner  
Northeastern University, BS Finance, 2004

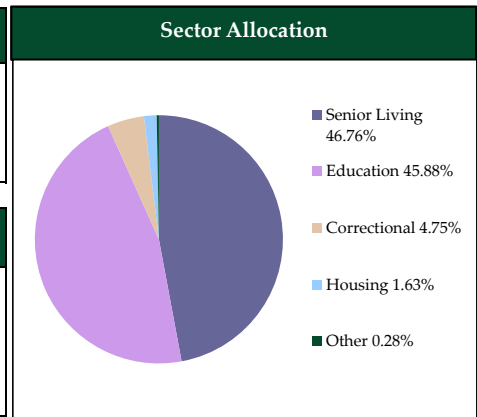
**Parker B. Stitzer**  
Senior Analyst, Partner  
Harvard College, BA, Government, 2008  
Columbia Business School, MBA, 2010

**Dennis Lam**  
Analyst  
State University of New York at Binghamton,  
BS Financial Economics, Cum Laude, 2004

**Charlie E. Harkin, CPM**  
Trading & Operations Manager  
Seton Hall University, BA Marketing, 1990  
Fordham University, MBA in Finance, 1997

**Ana Maria McLaughlin**  
Senior Executive Assistant  
University of Hartford, BA Criminal Justice, 2003

| Benchmark Capture* | Since Inception |
|--------------------|-----------------|
| Upside Capture     | 59.47%          |
| Downside Capture   | 7.93%           |
| Capture Ratio      | 7.50            |



| Top 5 States | % of Total | Current Yield |
|--------------|------------|---------------|
| Texas        | 11.17%     | 5.51%         |
| Florida      | 7.79%      | 6.59%         |
| Pennsylvania | 6.71%      | 6.09%         |
| Virginia     | 6.38%      | 6.09%         |
| Arizona      | 6.09%      | 6.39%         |

| Approximate # of Securities** | Current Yield | Coupon | Maturity    | Adjusted Duration |
|-------------------------------|---------------|--------|-------------|-------------------|
| 50                            | 6.25%         | 6.38%  | 19.67 Years | 7.29 Years        |

\*Captures are calculated relative to the Barclays HY Muni Index on a quarterly basis.

\*\*Number of securities assumes a fully invested account holding 2% positions. Position sizes may vary, and typically some cash or cash equivalents are present.

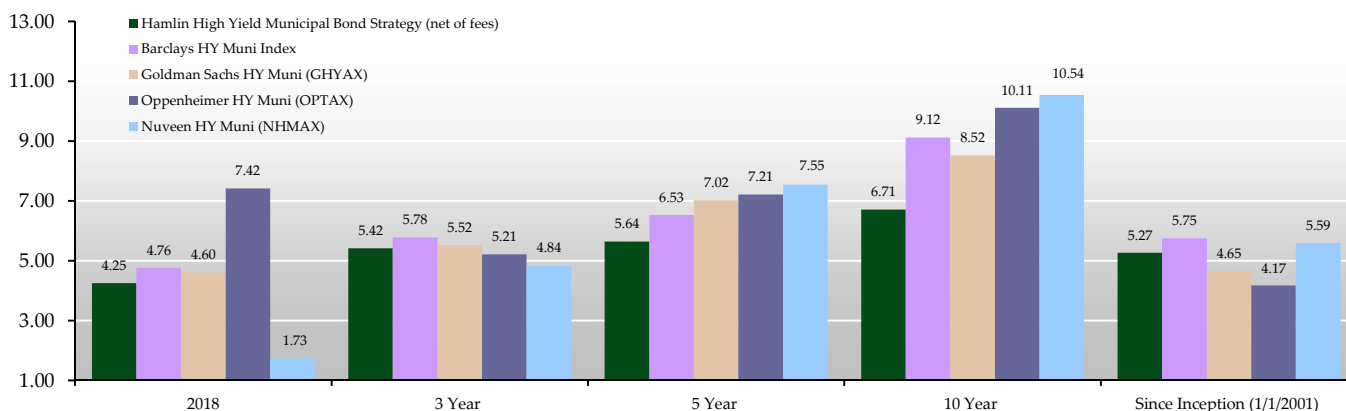
## Performance

### HCM Calendar Returns vs. Selected High Yield Municipal Mutual Funds

|                              | (Net of Fees) |      |       |       |      |       |       |        |       |      |       |       |       |       |      |      |       |      |
|------------------------------|---------------|------|-------|-------|------|-------|-------|--------|-------|------|-------|-------|-------|-------|------|------|-------|------|
|                              | 2001          | 2002 | 2003  | 2004  | 2005 | 2006  | 2007  | 2008   | 2009  | 2010 | 2011  | 2012  | 2013  | 2014  | 2015 | 2016 | 2017  | 2018 |
| Hamlin Capital (Net of Fees) | 4.54          | 7.22 | 9.14  | 8.27  | 7.94 | 6.81  | 4.27  | -16.73 | 16.35 | 7.06 | 6.13  | 7.43  | 2.48  | 7.18  | 4.80 | 3.84 | 8.22  | 4.25 |
| Barclays High Yield (BHYMBI) | 4.45          | 1.97 | 13.22 | 10.52 | 8.58 | 10.74 | -2.28 | -27.01 | 32.73 | 7.80 | 9.25  | 18.14 | -5.51 | 13.84 | 1.81 | 2.99 | 9.69  | 4.76 |
| Goldman (GHYAX)              | 7.30          | 7.41 | 8.84  | 6.63  | 7.21 | 7.47  | -7.11 | -30.10 | 28.54 | 4.83 | 9.90  | 15.79 | -5.88 | 15.24 | 3.67 | 3.10 | 8.96  | 4.60 |
| Oppenheimer (OPTAX)          | 2.36          | 8.02 | 7.75  | 8.69  | 7.83 | 7.40  | -9.11 | -41.59 | 42.68 | 0.30 | 16.40 | 18.97 | -6.66 | 15.64 | 5.19 | 2.36 | 5.92  | 7.42 |
| Nuveen (NHMAX)               | 11.33         | 8.00 | 10.12 | 11.43 | 7.97 | 8.46  | -5.09 | -40.42 | 42.30 | 3.54 | 11.50 | 20.92 | -4.69 | 19.13 | 4.82 | 1.30 | 11.82 | 1.73 |

### HCM Rolling Returns vs. Selected High Yield Municipal Mutual Funds

(Net of Fees, Annualized if Greater than One Year, Data through 12/31/2018)



PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. Performance assumes the reinvestment of income. All information is intended for informational purposes only and contains the opinions of Hamlin. Nothing herein constitutes an offer to sell, a solicitation of an offer to purchase any securities nor does it constitute an endorsement with respect to any investment area or vehicle. Data shown is of the Bond Only Composite. Individual accounts may vary. The above information represents Hamlin's five largest state concentrations by obligator, by state, as of December 31, 2018. Information shown in the portfolio profile is presented as of the date indicated and is subject to change at any time without prior notice. Performance data uses broker pricing for the period prior to April 1, 2016, and pricing by Interactive Data Corp. thereafter. Volatility may be higher under IDC pricing. Hamlin does not undertake any duty to update the information provided herein. There is no guarantee that any strategy will meet its investment goals, and investing may result in a loss in principal. Barclays HY Muni Index is an index tracking the performance of non-investment grade municipal bonds. It is not directly investable and does not incur fees or expenses. OPTAX, NHMAX, and GHYAX are mutual funds that invest in municipal bonds on a leveraged basis. Hamlin does not use leverage. A copy of our current written disclosure statement discussing our advisory services and fees remains available for your review upon request. Benchmark capture uses quarterly performance. Performance data for mutual funds were taken from Bloomberg. This information is supplemental to the attached GIPS-compliant presentation. Individual account performance may vary. Adjusted duration is calculated using the earliest of the applicable put, interest rate reset, mid point of sinking fund payments, and maturity dates.

**Hamlin Capital Management, LLC**  
**Bond Only Composite**  
**Annual Disclosure Presentation**  
**January 1, 2001 through December 31, 2018**

| 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 |
|------|------------------------|-----------------------|----------------------|----------------------|---------------|---------------------|-----------------------|--------------------|
| 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 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.

The Bond 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 December 31, 2018. 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 Bond Only Composite has been examined for the periods beginning January 1, 2001 through December 31, 2018. 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.