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## Q4 2021 Quarterly Newsletter

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## Overview

Hamlin equity accounts advanced approximately 10.90% over the last three months while the S&P 500 Index increased 11.03% over the same period. Strong corporate earnings outlooks and pervasive signs of economic strength trumped Omicron and monetary policy concerns. Hamlin bond accounts increased 1.59% as Bloomberg-Barclays High Yield Municipal Bond Index returned 1.16% over the quarter.

## Equity Performance

Hamlin's 31.32% return for 2021 exceeded the S&P 500 Index and the Russell 1000 Value Index ETF's ("IWD") gains of 28.71% and 24.95%, respectively. We were pleased to beat the S&P in a year when many Value managers lagged significantly.<sup>1</sup> We attribute this favorable outcome to our Technology holdings, strength from some of our Energy and Material holdings during an inflationary period, and our concentrated position count. Interestingly, since Value bottomed relative to Growth on 8/31/20, the Hamlin Composite is up 48.96% versus the S&P 500 Index's 38.86% advance. While the Dow Jones U.S. Select Dividend Index ETF beat us by a nose this year, Hamlin's trailing three and five-year records versus that dividend-oriented index remain satisfying.

**Figure 1: Hamlin Composite Returns vs. Benchmarks as of December 31, 2021**

	4Q21	FY 2021	3-year	5-year	10-year	Inception
<b>Hamlin Composite</b>	<b>10.90%</b>	<b>31.32%</b>	<b>18.92%</b>	<b>12.63%</b>	<b>12.51%</b>	<b>10.57%</b>
<b>Russell 1000 Value Index ETF (IWD)</b>	7.77%	24.95%	17.42%	10.96%	12.77%	7.44%
<b>Dow Jones Dividend Index ETF (DVI)</b>	7.62%	31.68%	15.36%	10.56%	12.40%	NA
<b>S&amp;P 500</b>	11.03%	28.71%	26.07%	18.47%	16.55%	8.40%

Source: Hamlin Capital Management. Performance is net of fees and periods over 1 year are annualized. 4Q21 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 10.57% 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

Broadcom, Abbvie, and Home Depot led the portfolio during Q4—gaining 30.69% on average. Broadcom shares both anticipated and celebrated a strong fiscal Q4 report. The company guided above Street estimates for next quarter due to networking semi-conductor strength, raised the dividend 14%, and announced a \$10 billion buyback. Abbvie delivered another strong quarter, helped by Botox demand. The board raised the dividend 8.5%, earnings expectations

<sup>1</sup> The Morningstar Large Cap Value Category underperformed the S&P 500 by 2.58% in 2021.

moved up, and investors seem to have concluded that a single-digit PE multiple effectively discounts Rinvoq's amended safety label. Home Depot's price increases offset supply chain challenges, leading to a stronger-than-anticipated gross margin. Sales in early November were tracking above the impressive recent quarter's 6.1% year-over-year same-store sales growth.

Cummins, Lockheed Martin, and Leggett & Platt were the weakest quarterly performers—declining 5.48% on average. Cummins' stock price reflects weak demand from China across most product lines and a sharp decline in U.S. Class 8 truck orders. Supply chain challenges are both limiting customer orders and impacting margins. We have been adding to our position as we consider long-term demand for hydrogen transportation technologies, the next “truck cycle,” and the company's return and balance sheet profile. Lockheed delivered disappointing Q3 earnings and cashflow guidance related to delays in the F-35 delivery schedule and the need to pre-pay suppliers suffering from commercial airline OEM weakness. Leggett's third quarter earnings report revealed a loss of mattress unit share and incremental supply chain disruption. Our earnings expectations for Lockheed and Leggett fell, and we have since sold both stocks.

We are happy to announce that 25 of our year end 26 holdings announced dividend hikes in 2021 with an average increase of 13.06%.<sup>2</sup> This welcome action validates our research analysis and increases your portfolio cash flow. Corporate boards generally announce dividend increases only when they envision strong cash flow growth in the future. We expect our portfolio companies to increase their cash pay-outs in 2022 at attractive rates. Excluding the impact of two special dividends from Old Republic Corp last year and recent sales of higher-yielding stocks, overall portfolio income could be flat-to-down in 2022. Client income has been compounding at 7.1%<sup>3</sup> 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

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The wall of worry, so often scaled by stocks, appears taller at this juncture. To valid concerns about a reduction in central bank accommodation, the expiration of fiscal stimulus, inflation-driven margin erosion, and elevated PE multiples, we must add a modestly flattening yield curve. Weakening stock market breadth<sup>4</sup>, underperforming small caps, and better recent performance for Staples and Utilities at the expense of Consumer Discretionary stocks imply to some that the Fed could be making a policy mistake.

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<sup>2</sup> ARES and KDP increased their dividends 20% and 25%, respectively, earlier in 2021 before we bought them. The five stocks we sold in 2021-LMT, LEG, MMM, QCOM and DOW - increased their dividends 3.6% on average while we held them during the year.

<sup>3</sup> The 7-year CAGR of portfolio income reflects the increase in income for calendar 2014 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 that were: (1) open for the entire period; (2) present in the equity only composite; and (3) had no contributions or withdrawals over the period shown other than Hamlin's management fee. The values and income were normalized to a starting value of \$1,000,000 for the universe of accounts. 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. Please see additional disclosures at the end of this presentation; this page is not complete without these disclosures.

<sup>4</sup> According to Jeff deGraaf of Renaissance Macro Research, the TRIN (or Arms Index), which measures buying and selling pressure in the market (calculated by dividing the advancing/declining issue by the ratio of advancing volume/declining volume), has weakened to 0.44 as of 12/31/21.

Yet strong stock market years have spawned positive returns over the following twelve months. The S&P 500 Index has gained 11.30%, on average, in the years following a 20%+ advance since 1926.<sup>5</sup> If it happens again, we will thank Covid. The lagged effect of extraordinarily friendly monetary and fiscal policy means Americans feel wealthy with elevated cash balances, higher home prices and record 401k balances. Firms need to replenish inventories to meet growing consumer demand, and companies are investing in capital expenditures to improve capacity and to on-shore supply chains. These dynamics and 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. Expecting a more volatile year for stocks, we are comforted to own quality businesses with an average net debt-to-capital ratio of 32.6% and median 23.6% return on equity. The table below reminds us that equities have fared reasonably well during the early and middle stages of tightening cycles.

**Figure 2: Historical Stock Market Performance Around Tightening Cycles**

<b>Recent Federal Funds Tightening Cycles</b>	<b>S&amp;P 500 Index Return 3 Months Prior to First Hike through Third Hike</b>
9/30/1986 - 9/3/1987	38%
12/4/1993 - 4/18/1994	-4%
3/30/1999 - 11/16/1999	10%
3/30/2004 - 9/21/2004	1%
9/15/2016 - 6/15/2017	15%
<b>Average</b>	<b>12%</b>

## Fixed Income Performance

We are pleased to report the Hamlin Capital Management High Yield Municipal Bond Composite continues to perform well, up 5.43% in 2021. We believe the existing portfolio, augmented with recent additions, has served clients well through the volatility of last year's Pandemic and this year's reopening. Increased stability for the general market this year (compared to a year ago) has meant less price volatility in the market but also slightly less opportunity for new investment.

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

<sup>5</sup> Source: Factset.

**Figure 3: Fixed Income Performance**

	<b>HAMLIN BOND COMPOSITE</b>	<b>Cumulative</b>	<b>BLOOMBERG-BARCLAYS HIGH MUNICIPAL INDEX</b>	<b>Cumulative</b>
	(% Net of Fees)		(% No Transaction Costs or Fees)	
<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>21 Years Annual Compound</b>	<b>5.43</b>		<b>6.03</b>	

Source: Hamlin Capital Management and Bloomberg Index Services Limited. The performance provided is a preliminary estimate as Q4 2021 performance has not yet been examined by ACA Performance Services and may be subject to change. Individual accounts vary.

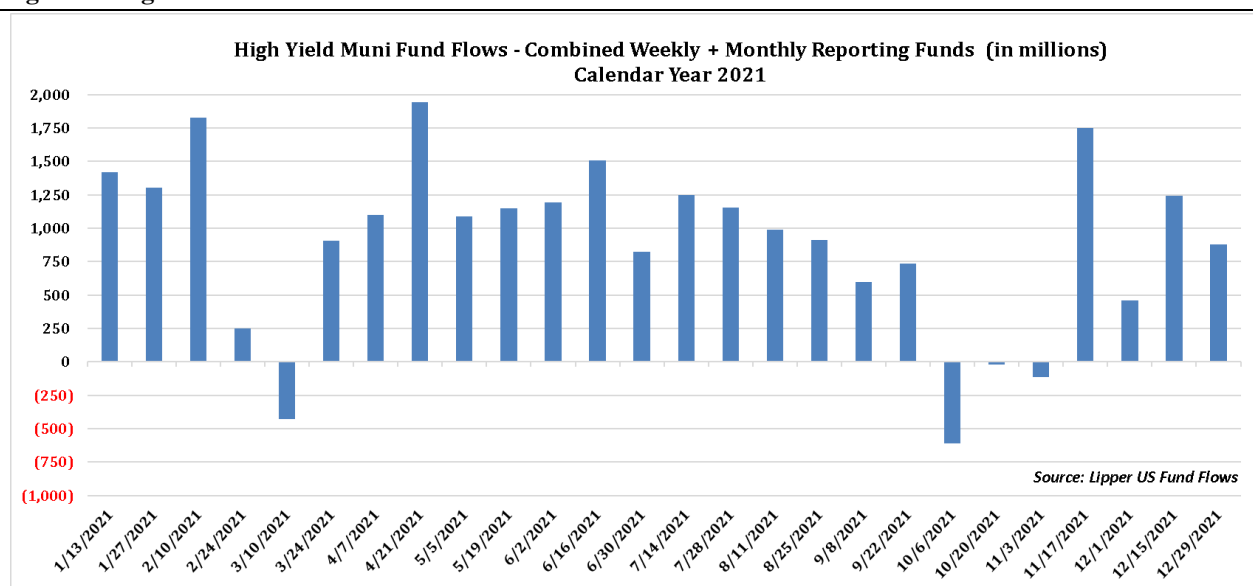
## Market Commentary

For many in the fixed income market 2021 provided a welcome respite from the volatility of 2020. Except for a few weeks in Q1 and towards the end of Q3 both Treasury and municipal bond markets have been relatively calm. Rate moves were relatively modest and pricing largely stable. However, the 10 Year U.S. Treasury did end the year at 1.52%, significantly up from 0.93% where it started the year still mired in a long Covid winter. This move generated a negative total return of -2.32% for the Bloomberg U.S. Treasury Index. Through various re-opening starts and stops due to new variants (as we all work from home again – thanks Omicron), rates have trended slowly upwards. This is largely a result of continued growth and a clear Fed shift from accommodation towards a slightly more hawkish stance – in large part on account of inflation which continues to run for longer and at higher levels than expected. As the wind down of the Fed’s bond buying program (tapering) continues into 2022, the Fed looks to raise the short-term

Federal Funds target rate. The market currently expects three Federal Funds rate hikes in CY 2022<sup>6</sup> and we anticipate rates will continue to rise, at least on the short end of the Treasury curve.

The 10 Year Treasury moved up 59 basis points in 2021, however, the 10 Year Muni only moved from 0.71% to 1.03% or up 32 basis points. On a relative basis municipal yields were 76% of Treasuries to start the year and 68% to finish, reflecting a very strong municipal bond market. This continued low interest rate environment in Municipals, on an absolute basis and relative to Treasuries, has been underpinned by continued fund flows into the space – driven in part by expectations of higher marginal tax rates. Flows have been almost entirely positive this year on a weekly basis with very few hiccups. Lipper data for the year shows \$101.7 billion into all Municipals which is the highest total since the data has been tracked in 1992. High yield accounted for 22.91% or \$23.3 billion. While 2020 numbers were thrown off by the volatility in March the numbers this year are up from 2019 when total flows were \$93.69 billion and high yield made up 20.35% or \$19.06 billion of that. We believe these steady inflows have helped keep a ceiling on municipal yields even as broader interest rates have generally moved up this year.

**Figure 4: High Yield Muni Fund Flows**



Unfortunately, this inflow of capital and corresponding ceiling on Municipal rates has once again almost priced us out of broader market opportunities. However, we continue to see opportunity in our Hamlin-sourced space at absolute yield levels we believe compensate our clients and that sourcing pipeline is what allowed to put a healthy amount of client capital to work in 2021. We are committed to deploying capital during times of dislocation in places that we believe will benefit clients for years to come. However, our primary focus, as ever, is to protect capital. The Covid-19 related dislocation was one of the best buying opportunities we have had in recent years. The current environment is not quite as exciting. If we cannot get an absolute yield which we feel compensates the investor on a tax-adjusted basis, we prefer to hold the capital and wait. When fund flows reverse and opportunities become more abundant, we hope to take advantage.

<sup>6</sup> Bloomberg.

We believe our commitment to absolute return (not just spread investing) is particularly important. It protected the portfolio during the extreme interest rate volatility in 2020 as well as the 2013 Taper Tantrum. Our continued adherence to absolute return metrics will also be important during a period of potentially rising interest rates as we seek to provide investors a steady tax-exempt coupon while keeping our yield-at-investment well above the general municipal market yields. One of our primary goals is always to find the highest risk adjusted coupons for our clients on the long end of the curve. However, as the market has changed, offering a lower reward for long term bonds, we have increased our focus on the short end of the yield curve for all portfolios – always with an eye towards rising rates.

For years now we have focused on not only buying above market coupon bonds 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 short bond composite with an adjusted duration of approximately 4.40 while maintaining a robust average coupon of 5.26%.<sup>7</sup> In addition to focusing on the shorter end of the curve, we also continue to implement tried and true strategies for a rising interest environment, including:

- Higher coupons – Compounding large coupon payments in a rising interest rate environment is a defensive force and a potent tool for driving returns. As rates move up, the larger coupons Hamlin clients receive provide them more income to reinvest at the new higher market rates.
- Amortization of debt – Hamlin bond projects actively pay their debt down during the life of the bond. The steady principal payments allow client portfolios to reinvest principal as rates rise.
- Dollar cost averaging – New Hamlin clients are invested slowly over the course of months and even years. If rates move and the market adjusts, the bonds purchased by client portfolios will gradually reflect the new rate environment.
- 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 means that price moves should be less pronounced than comparable investments that lack these important features.

## Credit Update

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Our portfolio has come through this incredibly volatile time with no new defaults due to Covid-19 related issues and no new payment interruptions through 12/31/2021. While the future remains uncertain, we are not currently expecting

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<sup>7</sup> As of 12/31/2021; adjusted duration and average coupon is based on preliminary quarter end data and subject to change. Adjusted duration is calculated using the earliest of the applicable put, interest rate reset, mid-point of sinking fund payments, and maturity.

any new Covid-related payment interruptions. We are seeing the benefits now of years of focused and discipline investment in the Hamlin Portfolio.

While there have been defaults in the broader municipal market due to Covid-19, the market has not seen the type of pain many expected. Part of that is attributable to the generous government assistance that has been provided via the now three separate stimulus bills measuring into the trillions. These monies have helped various sectors – including state government which has been able to use Federal dollars to plug budget holes. While this influx of Federal money is a credit positive for the market, it is not a panacea. We still expect to see continued difficulties in the high yield municipal sector on an individual project basis. It also does not solve long term issues for states that can't match their revenues with their expenditures.

**Senior Living:** The broader municipal market has seen an uptick in defaults in the senior living space with just over \$1.06 billion across 23 different issuers so far this year.<sup>8</sup> The Pandemic-induced drop in census and revenue that hit many facilities has caused some poorly capitalized projects to capitulate. There have been several highly leveraged and high-profile deals that have defaulted this 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 Omicron and another winter may set things back slightly, 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. 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.

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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

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<sup>8</sup> Bloomberg Default & Distress Report as of 12/15/21; includes CCRCs, standalone Assisted Living facilities, and standalone Nursing Facilities; data accessed on 1/7/22



## 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 not 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 U.S. Treasury Index measures the total return of a market value weighted index of U.S. Treasuries.*
- *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.*
- *Federal Funds Target Rate is a rate set by the Fed's Open Market Committee and is the rate at which commercial banks borrow and lend excess reserves overnight.*
- *Gross Margin is measured as revenue less cost of goods sold, divided by revenue.*
- *Net Debt to Capital Ratio is calculated by dividing total debt less cash by total equity and debt.*
- *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 Equity is a company's net income divided by the total shareholder equity.*
- *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.*

**Hamlin Capital Management, LLC - Equity Only Composite - GIPS Report**  
**January 1, 2001 through September 30, 2021**

Year	Total Firm Assets (mm)	Composite Assets (mm)	Number of Portfolios	Composite Net Return	S&P 500 Return	Russell 1000 Value Return	Internal Dispersion (NET)	Composite 3-Yr St Dev (NET)	S&P 500 3-Yr St Dev	Russell 1000 Value 3-Yr St Dev
*YTD 2021	5,450	1,674	547	18.41%	15.92%	16.14%	N.A.	N.A.	N.A.	N.A.
2020	4,847	1,442	522	5.36%	18.40%	2.80%	1.40%	17.66	18.53	19.62
2019	4,706	1,610	646	21.54%	31.49%	26.54%	0.55%	9.45	11.93	11.85
2018	4,253	1,504	688	-6.97%	-4.38%	-8.27%	0.64%	10.37	10.80	10.82
2017	4,553	1,772	683	15.84%	21.83%	13.66%	1.29%	10.27	9.92	10.20
2016	3,617	1,623	679	14.93%	11.96%	17.34%	1.26%	11.05	10.59	10.77
2015	3,186	1,373	725	-4.54%	1.38%	-3.83%	0.66%	9.91	10.48	10.68
2014	3,077	1,414	704	10.93%	13.69%	13.45%	0.51%	8.57	8.97	9.19
2013	2,703	1,234	624	32.72%	32.39%	32.53%	1.04%	10.19	11.94	12.69
2012	2,029	798	480	11.03%	16.00%	17.51%	1.12%	12.39	15.09	15.51
2011	1,623	584	388	10.16%	2.11%	0.39%	0.71%	14.11	18.71	20.69
2010	1,033	191	220	20.65%	15.06%	15.51%	2.22%			
2009	714	30	51	20.98%	26.46%	19.69%	2.69%			
2008	584	12	30	-28.57%	-37.00%	-36.85%	4.45%			
2007	734	18	31	3.97%	5.49%	-0.17%	2.86%			
2006	869	29	48	7.90%	15.79%	22.25%	5.93%			
2005	716	31	42	20.80%	4.91%	7.05%	4.90%			
2004	501	19	26	22.80%	10.88%	16.49%	7.67%			
2003	130	8	24	30.40%	28.68%	30.03%	9.87%			
2002	49	5	29	0.90%	-22.06%	-15.52%	6.15%			
2001	21	6	34	0.99%	-11.93%	-5.59%	10.69%			

\* Performance represents a non-annualized partial period return ending on September 30, 2021.

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

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS. Investing entails the risk of loss of principal. The U.S. Dollar is the currency used to express performance. Returns are presented net of management fees and includes the reinvestment of all income. Net of fee performance was calculated using actual management fees. The annual composite dispersion is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Composite performance is presented net of foreign dividend withholding taxes, where applicable, for the period prior to October 1, 2016, and gross of foreign dividend withholding taxes thereafter. Composite performance accrues dividends starting October 1, 2016. The management fee schedule is as follows: 1.00% on all assets. Actual investment advisory fees incurred by clients may vary. Composite performance is shown net of custodial fees for the period prior to January 1, 2018, and gross of custodial fees and other charges that may occur as a result of a client's choice of service providers thereafter. Beginning 10/1/19, a significant number of accounts in the composite are custodied with a broker that does not charge trading expenses. Accounts custodied with other brokers may incur trading expenses which may reduce returns. As of 09/30/21 date, these accounts represent 21% 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 September 30, 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 September 30, 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 September 30, 2021**

Year	Total Firm Assets (mm)	Composite Assets (mm)	Number of Portfolios	Composite Net Return	BHYMBI Return	Internal Dispersion (NET)	Composite 3-Yr St Dev (NET)	BHYMBI 3-Yr St Dev
*YTD 2021	5,450	1,250	357	3.78%	6.53%	N.A.	N.A.	N.A.
2020	4,847	1,062	324	5.17%	4.89%	0.78%	4.18	8.33
2019	4,706	814	260	8.69%	10.68%	0.99%	2.02	3.02
2018	4,253	789	245	4.25%	4.76%	0.64%	3.04	4.91
2017	4,553	733	234	8.22%	9.69%	1.67%	2.82	5.42
2016	3,617	634	219	3.84%	2.99%	0.76%	2.54	5.96
2015	3,186	758	193	4.80%	1.81%	0.77%	0.99	6.35
2014	3,077	538	138	7.18%	13.84%	1.03%	1.14	6.22
2013	2,703	546	190	2.48%	-5.51%	0.84%	1.44	5.90
2012	2,029	474	172	7.43%	18.14%	1.39%	1.52	4.17
2011	1,623	442	173	6.13%	9.25%	0.86%	2.67	7.81
2010	1,033	314	124	7.06%	7.80%	0.84%		
2009	714	220	90	16.35%	32.73%	1.64%		
2008	584	181	67	-16.73%	-27.01%	1.80%		
2007	734	173	50	4.27%	-2.28%	0.96%		
2006	869	153	55	6.81%	10.74%	1.14%		
2005	716	86	53	7.94%	8.58%	1.84%		
2004	501	53	33	8.27%	10.52%	1.61%		
2003	130	18	27	9.14%	13.22%	2.19%		
2002	49	17	29	7.22%	1.97%	2.63%		
2001	21	17	31	4.54%	4.45%	15.07%		

\* Performance represents a non-annualized partial period return ending on September 30, 2021.

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

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

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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