Hamlin High Dividend Equity Fund
Q1 2026

HAMLIN CAPITAL MANAGEMENT, LLC

Firm Overview

- Employee-owned firm founded in 2001
- Hamlin partners have nearly all of their liquid net worth invested in our strategies
- Firm AUM: $8.7B; Strategy AUM: $4.2B

Investment Philosophy & Objectives

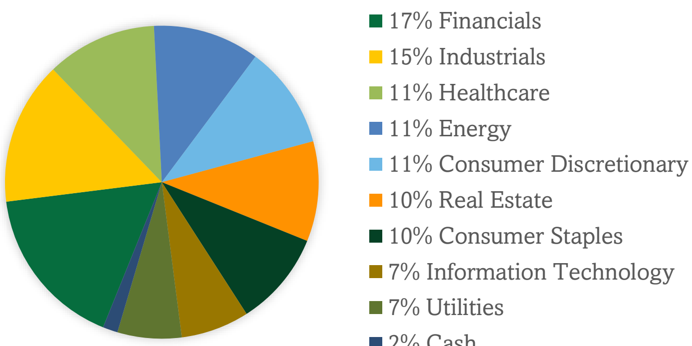
- **Income:** Target companies with a dividend yield at least 1.5x the S&P 500's with prospects for dividend growth
- **Downside Protection:** Versus the S&P 500
- **Quality:** Quantitative focus on free cash flow generation, balance sheet, and return on equity. Qualitative focus on secular growth, competitive advantage, management, and culture
- **Active:** Rigorous bottom-up, fundamental analysis

Fund Facts

	Institutional Shares	Investor Shares
Fund Symbol	HHDFX	HHDVX
CUSIP	00769G741	00769G733
Fiscal Year End	December 31	December 31
Inception Date	March 30, 2012	March 30, 2012
Initial Minimum Investment	$100,000	$2,500
Expense Ratio (Net)*	0.85%	1.15%
Expense Ratio (Gross)	0.98%	1.28%
Primary Benchmark	S&P 500	S&P 500
Secondary Benchmark	Russell 1000 Value	Russell 1000 Value

* Fee waivers are contractual through April 30, 2026

Sector Weights



Subject to change.

Investment Team

Michael M. Tang, CFA, Portfolio Manager
19 years of industry experience – Joined Hamlin in 2013
Princeton University, BA Economics, Summa Cum Laude, 2007

Christopher M. D'Agnes, CFA, Portfolio Manager
27 years of industry experience – Joined Hamlin in 2001
Bucknell University, BS Accounting, 1999

Ross Gabrielson, CFA, Analyst
20 years of industry experience – Joined Hamlin in 2024
Columbia University, BA Political Science, 2006
Columbia Business School, MBA, 2012

Jaclyn Hourihan, CFA, Analyst
16 years of industry experience – Joined Hamlin in 2017
Trinity College, BA Economics, 2010

Riggs McDermott, CFA, Associate
7 years of industry experience – Joined Hamlin in 2019
Southern Methodist University, BA Finance, 2019

Top 10 Holdings†

Cummins Inc.
Enterprise Products Partners L.P.
CME Group Inc. Class A
Morgan Stanley
ConocoPhillips
Broadcom Inc.
Old Republic International Corporation
Public Service Enterprise Group Inc
AbbVie, Inc.
Johnson & Johnson

Portfolio Characteristics**

Number of Holdings	28	
Current Yield	3.30%	
ROE – Median 5 Year Average	24.7%	
Dividend Growth Rate – 3yr Average	10.4%	
Active Share	92.1%	
Price/Earnings (NTM) – Wtd. Avg.	16.3x	
Market Capitalization – Median	$76 Billion	
	Institutional	Investor
SEC 30-Day Yield – Subsidized	2.38%	2.06%
SEC 30-Day Yield – Unsubsidized	2.28%	1.98%

Net Performance

Since inception 3/30/2012

	1Q26	1-year	3-year	5-year	10-year	Inception
HHDFX	0.67%	8.17%	12.98%	10.79%	10.80%	10.98%
HHDVX	0.61%	7.85%	12.65%	10.46%	10.44%	10.58%
Russell 1000 Value Index	2.10%	15.87%	14.31%	9.43%	10.58%	10.88%
S&P 500 Index	-4.33%	17.80%	18.32%	12.06%	14.16%	13.63%

Performance data quoted represents past performance and does not guarantee future results. Periods greater than 1-year are annualized. The investment performance and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost, and current performance may be lower or higher than the performance quoted. For performance data current to the most recent month end, please call 1-855-HHD-FUND. The fund charges a redemption fee of 2.00% as a percentage of amounts redeemed, if shares redeemed have been held for less than 7 days. Investment performance does not reflect redemption fee; if it was reflected, the total return would be lower than shown.

Performance and Portfolio Changes

The Hamlin High Dividend Equity Fund institutional class returned 0.67% for the first quarter of 2026, ahead of the S&P 500 Index's -4.33%. The portfolio has historically held up well in more volatile, choppy market environments, and that pattern was evident once again this quarter. The heavily weighted "Magnificent Seven" stocks declined by an average of approximately 11%, reflecting elevated valuations and increased pressure on the Technology sector – particularly within software – amid growing concerns around AI-driven disruption. Our lag versus the Russell 1000 Value Index's 2.10% was largely driven by Consumer Staples, where our position in Unilever detracted as the stock declined late in the quarter around the March 31st announcement of a transaction to separate its foods business. The benchmark was helped by strong performance in Walmart, a low-yielding stock to which we have no exposure. Within Technology, the index became increasingly concentrated in a small group of companies benefiting from acute memory shortages and rapidly rising AI infrastructure spending. We also lacked exposure to defense-related Industrial stocks which rose with the geopolitical tensions in Iran. These areas of underperformance were partially offset by stronger relative results in Communication Services, Healthcare, and Consumer Discretionary.

Within the portfolio, relative sector contributors to performance this quarter versus the S&P 500 were Information Technology, Energy, and Consumer Discretionary. Relative sector detractors were Consumer Staples, Materials, and Utilities. The largest individual stock performance contributors were ConocoPhillips, Enterprise Products Partners, Johnson & Johnson, CME Group, and Cummins. The weakest performers were Ares Management, Paychex, Broadcom, and Unilever. During the quarter, we purchased SLB Limited, which offered a 2.4% yield on cost.

Twelve Hamlin holdings have announced dividend hikes so far in 2026, with an average increase of 5.5%. This welcome action validates our research analysis and increases portfolio cash flow. Corporate boards generally announce dividend increases only when they envision strong cash flow growth in the future. While past performance does not predict future results, we note that our current portfolio holdings have increased their dividends at a 10.4% compound annual rate over the last three years.

Market Outlook

An increase in volatility in 2026 was something we anticipated in our January newsletter, where we outlined the challenges that markets often face during midterm election years, particularly following three consecutive years of double-digit returns for the S&P 500. While we expected policy-related uncertainty, including the potential for the Supreme Court to revisit and overturn aspects of the Trump-era tariff framework (which ultimately did occur), a military escalation involving Iran was not at the top of our list of concerns. As is often the case, one never knows what Mr. Market may deliver in any given year. That said, we like to remind clients (and ourselves) that equity markets experience declines every year, often in the range of 10–15%. While the catalysts may vary, the pattern is familiar: stocks fall, investor concern builds as declines deepen, and selling can become self-reinforcing. Importantly, these sharp moves in equity prices are often disproportionate to the relatively modest changes in the underlying value of businesses themselves. That disconnect creates short-term pain and discomfort but also long-term opportunities in equity markets. While the S&P 500 recently recovered from its lows, this year's peak to trough decline of 8.89% still falls short of the 13% median annual pullback we've seen since 1928.[1]

Artificial intelligence continues to be a major source of both opportunity and uncertainty across markets. The technology has progressed rapidly and is likely to create winners and losers across a range of industries, notably within software where disruption will not be uniform. In the near term, markets tend to sell broadly and sort out the fundamentals later, and business models are being re-underwritten in real time. We believe that dynamic contributed meaningfully to the quarter's increased dispersion, particularly in areas where investors are reassessing how durable existing revenue and margin structures will prove to be. We are watching these developments closely, especially as we begin to see AI proliferation starting to have a tangible impact on how businesses operate.

With respect to the geopolitical situation, the duration of the conflict will likely determine the ultimate economic consequences. Oil prices have approached the $100 per barrel level—a meaningful increase though not without precedent, as prices reached approximately $120 in 2022 and nearly $150 in 2008. Importantly, the United States is far better positioned today than in prior cycles, having become the world's largest oil producer which provides a degree of insulation against global supply shocks. However, disruptions to global energy infrastructure and renewed appreciation for the strategic importance of oil could keep prices elevated for longer than expected. Rising gasoline prices act as an immediate tax on consumers, potentially altering spending behavior and dampening discretionary demand, which could slow the pace of economic growth. Our base case remains that policymakers, particularly in an election year, are incentivized to pursue lower energy costs and stable financial conditions, both of which were central to President Trump's campaign platform. Against a backdrop of elevated budget deficits, higher interest rates, and persistent inflation concerns, a prolonged conflict may prove too costly. As a result, we would expect increasing pressure to de-escalate tensions swiftly, though the duration of the conflict and its impact on consumer behavior and broader economic activity remain key variables we will continue to monitor closely. With a temporary pause in hostilities announced after quarter end, we believe we are beginning to work towards a resolution but one that will not occur in a straight line.

Private credit also contributed to market volatility this quarter. Recent media coverage would suggest that a 2008-style financial crisis may be on the horizon although we do not view it as a systemic risk. At approximately $2 trillion, private credit has become an important component of the capital markets but it remains relatively small comprising roughly 3% of total U.S. household and business debt, compared with the mortgage market's roughly 60% share at the peak of the housing bubble in 2006.[2] The recent pressure reflects a combination of liquidity concerns in certain non-traded vehicles, heightened scrutiny of underwriting standards, and uncertainty around how rapid technological change may affect some borrowers, particularly in software. With the influx of capital to private credit in recent years, some of it may have been deployed too quickly or with insufficient discipline. We would expect valuations to adjust and capital flows to moderate in the near term, but the long-term rationale for private credit of providing flexible, non-bank financing to middle-market companies will remain intact. A useful parallel can be drawn to Blackstone's BREIT fund, which limited redemptions in late 2022. Although withdrawals were capped until early 2024, redemption requests were eventually met in full and the fund recorded net positive inflows for the first time in early 2026. The process took time but the liquidity mechanisms worked as designed and Blackstone's stock recovered well ahead of the recovery in flows.

Against this backdrop, we are comforted to own quality businesses capable of providing protection and stability in choppy markets. We remain optimistic about our companies' long-term revenue growth prospects, supported by favorable product cycles and opportunities for market share gains. Our holdings are characterized by attractive fundamentals, including generous and growing distributions, manageable leverage, and a strong 5-year median return on equity of 24.7%. At a reasonable valuation of 16.3x earnings and a dividend yield of 3.3%, we believe the portfolio is well positioned to navigate a more challenging market environment while continuing to compound value over time. We remind you that we are not managing your account to track or beat the S&P 500 Index. We don't select securities to align your portfolio with any index's sector weightings or holdings. Our goal is to construct a quality portfolio with high current income. We strive to help our institutions and individual clients meet their spending objectives. We aim to preserve financial security and lifestyles by protecting against inflation with future dividend increases and long-term capital appreciation.

[1] Source: Bloomberg. S&P 500 total return used for 1988-2025 and price return from 1928-1987. Max drawdown in 2026 occurred from 1/30/26 – 3/30/26.
[2] Source: Dr. Torsten Slok, Chief Economist at Apollo.
Definitions: P/E is the price of a share divided by the earnings per share. NTM P/E uses consensus analyst earnings expectations for the next twelve months in the denominator. Beta is a measure of a stock's volatility relative to the S&P 500. Median is the midpoint value in a dataset. Yield on Cost is a company's annual dividend per share payment divided by stock purchase price.