

Hamlin High Dividend Equity Fund

Q2 2025

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: \$8.6B; Strategy AUM: \$4.4B

Investment Philosophy & Objectives

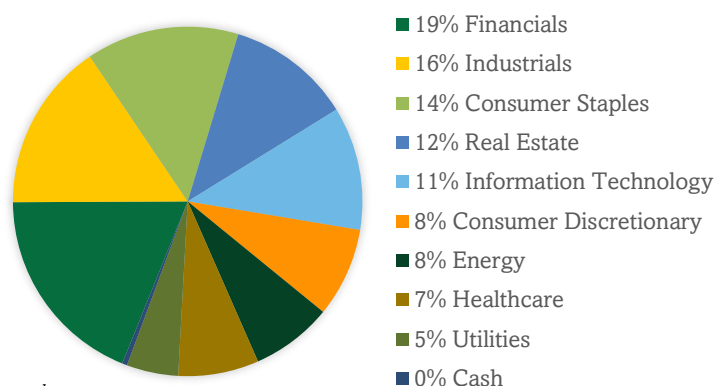
- Income:** Target companies with a dividend yield at least 1.5x the S&P 500's with prospects for dividend growth
- Downside Protection:** Versus the S&P 500
- Quality:** Quantitative focus on free cash flow generation, balance sheet, and return on equity. Qualitative focus on secular growth, competitive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



Investment Team

Michael M. Tang, CFA, Portfolio Manager

18 years of industry experience – Joined Hamlin in 2013
Princeton University, BA Economics, Summa Cum Laude, 2007

Christopher M. D'Agnes, CFA, Portfolio Manager

26 years of industry experience – Joined Hamlin in 2001
Bucknell University, BS Accounting, 1999

Charles S. Garland, CFA, Client Portfolio Manager

36 years of industry experience – Joined Hamlin in 2008
Yale University, BA English, Cum Laude, 1989

Ross Gabrielson, CFA, Analyst

19 years of industry experience – Joined Hamlin in 2024
Columbia University, BA Political Science, 2006
Columbia Business School, MBA, 2012

Jaclyn Hourihan, CFA, Analyst

15 years of industry experience – Joined Hamlin in 2017
Trinity College, BA Economics, 2010

Riggs McDermott, CFA, Associate

6 years of industry experience – Joined Hamlin in 2019
Southern Methodist University, BA Finance, 2019

Top 10 Holdings†

Broadcom Inc.
CME Group Inc. Class A
Morgan Stanley
Texas Instruments Incorporated
Public Service Enterprise Group Inc
Old Republic International Corporation
Darden Restaurants, Inc.
AbbVie, Inc.
Enterprise Products Partners L.P.
Unilever PLC Sponsored ADR

Portfolio Characteristics**

Number of Holdings	25	
Current Yield	3.18%	
ROE – Median 5 Year Average	22.9%	
Dividend Growth Rate – 3yr Average	8.4%	
Active Share	93.0%	
Price/Earnings (NTM) – Median	18.1x	
Market Capitalization – Median	\$61 Billion	
	Institutional	Investor
SEC 30-Day Yield – Subsidized	2.20%	1.90%
SEC 30-Day Yield – Unsubsidized	2.09%	1.80%

Net Performance

Since inception 3/30/2012	2Q25	YTD	1-year	3-year	5-year	10-year	Inception
HHDFX	2.92%	3.60%	15.01%	15.61%	16.58%	10.13%	11.22%
HHDVX	2.83%	3.45%	14.65%	15.26%	16.23%	9.76%	10.81%
Russell 1000 Value Index	3.79%	6.00%	13.70%	12.76%	13.93%	9.19%	10.60%
S&P 500 Index	10.94%	6.20%	15.16%	19.71%	16.64%	13.65%	8.55%

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 2.92% for the second quarter of 2025, ahead of the Dow Jones U.S. Select Dividend Index's -0.10% but lagging the S&P 500 Index's 10.94% and the Russell 1000 Value Index's 3.79% returns. We are pleased to have rebounded into positive territory from the post-Liberation Day bottom on April 8th. At the pinnacle of trade policy anxiety, the S&P 500 Index had declined 19% from the highs, while the Hamlin mutual fund was about 14% from its highs at that juncture. We were gratified with our downside protection which generally reflects generous and growing dividend streams underpinned by manageable debt loads and elevated returns on equity. We outperformed the Dow Jones U.S. Select Dividend Index by 302 basis points in the second quarter, due largely to our selection within the Technology and Financials sectors. Lag versus the Russell 1000 Value Index can be attributed to selection within Industrials and Consumer Staples. We underperformed the S&P 500 Index in Q2 with lower exposure to the Technology sector's impressive 23% rally in the quarter.

Within the portfolio, relative sector contributors to performance this quarter were Financials, Health Care, and Materials. Relative sector detractors were Industrials, Consumer Staples, and Information Technology. The largest individual stock performance contributors were Broadcom Inc., Morgan Stanley, Texas Instruments Incorporated, Ares Management Corporation, and Lamar Advertising Company. The weakest performers were AbbVie, Inc., ConocoPhillips, Watsco, Inc., Enterprise Products Partners, and Johnson & Johnson. There were no new purchases or sales for the portfolio during the quarter.

Thirteen Hamlin holdings have announced dividend hikes so far in 2025, with an average increase of 7.7%. 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 8.4% compound annual rate over the last three years.

Market Outlook

2025 has given new meaning to the adage that stocks like to "climb a wall of worry." Frenetic tariff policy proposals raised legitimate margin pressure and inflation concerns. Unemployment claims have increased with DOGE-related layoffs and a pause in corporate hiring amidst trade uncertainty. GDP growth has dropped to stall speed. Interest expense on the government's ballooning debt load has eclipsed the defense budget, and Social Security and Medicare now may be only eight years from benefit reductions. Oil prices rose as Israel and then America attacked Iran in hopes of containing nuclear weapons proliferation. And yet the S&P 500 Index trades at a robust 22.1x earnings and at an all-time high.

Paid to be paranoid and steward your capital, we spend most of our time thinking about risks and secular headwinds that could impact our current and prospective holdings. Envisioning what could "go right" is another important Hamlin investment professional function. The extension of the 2017 Trump tax cuts removes the specter of a fiscal cliff, and artificial intelligence could usher in a wave of productivity-related margin expansion over the next decade. Perhaps markets will be less hostage to events in the Middle East as optimists herald a peace dividend. The Abraham Accords and a vastly diminished military threat from Iran, Hamas, and Hezbollah may be game changers. At the very least, Permian production appears to have neutralized the impact of rising oil prices caused by Mideast conflict. Tariffs support the onshoring of manufacturing, a process already underway in the aftermath of covid-induced supply chain snarls. Permitting rule changes may speed the development of nuclear and traditional energy liquid natural gas infrastructure projects. Should companies extract price concessions from vendors and shoulder some of the increase in the cost of goods, tariff-related price increases may be contained—enabling the Federal Reserve to resume interest rate cuts later this year.

While that list of tailwinds appears fanciful, the action of bank and semiconductor stocks suggests that the market could head higher. We are very open to that scenario, just as we were in early April when the world seemed to be falling apart. While sensitive to the anxiety associated with account value declines, our experience told us that raising cash in the aftermath of Liberation Day would mean risk of missing the unpredictable yet inevitable rebound. Individual security analysis will always govern our investment decisions. Beyond recommending incremental allocation of capital to Hamlin equities when the S&P 500 Index has dropped 20% or more from its highs, we do not make bets on unknowable macro variables. Our stock market prognostications and those of pundits and highly regarded market strategists have proven to be unreliable.

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.

Definitions: P/E is the price of a share divided by the earnings per share.

There is no guarantee that companies will declare dividends or, if declared, that they will remain at current levels or increase over time. Companies may reduce or eliminate dividends at any time. There is no guarantee that the Fund will achieve or maintain its investment strategy.

Mutual fund investing involves risk, including possible loss of principal. There can be no assurance that the Portfolio will achieve its stated objectives. Bond and bond funds will decrease in value as interest rates rise. A company may reduce or eliminate its dividend, causing losses to the fund. International investments may involve risk of capital loss from unfavorable fluctuation in currency values, differences in generally accepted accounting principles, or from social, economic, or political instability in other nations.

The S&P 500 Index is a market-value 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. The Russell 1000 Value Index measures the performance of the broad value segment of the U.S. equity universe. It includes larger capitalization companies with a focus on lower price-to-book ratios and lower forecasted growth values. The Dow Jones U.S. Select Dividend Index tracks the performance of the 100 stocks with the highest dividend yields on the Dow Jones U.S. Total Market Index. This material represents an assessment of the market environment at a particular point in time and is not intended to be a forecast of future events, or a guarantee of future results. This information should not be relied upon by the reader as research, tax, or investment advice regarding the fund or any stock in particular. Please consult your tax/financial advisor for further information.

†Holdings are subject to change and do not include the Fund's entire portfolio. Holdings data is presented to illustrate examples of the securities the Fund bought and the diversity of areas in which the Fund invests and may not be representative of the Fund's current or future investments. Current and future holding are subject to risk.

***ROE – Median 5 Year Average, or the median company Return on Equity 5 year average, is sourced from Factset and is calculated by dividing net income by average equity assets. Current Yield is the gross of fee weighted average dividend yield of the underlying holdings, including interest earned on cash and cash equivalents, sourced from Hamlin's portfolio management system and is calculated by dividing each security's annualized most recent dividend payment by the current price. Average dividend growth rate is a compound annual growth rate for all companies currently in the portfolio as of 6/30/25. NTM, or next twelve month, Price to Earnings is sourced from Factset and is calculated by dividing total equity market capitalization by sell-side analyst estimates for total net income over the forward twelve month period. NTM P/E is not a forecast of the fund's future performance. Active share is sourced from Bloomberg and is a measure that represents the difference in weightings between the portfolio and the S&P 500 Index.*

This material must be preceded or accompanied by a current prospectus. Investors should read it carefully before investing or sending money. Read the prospectus carefully before investing or sending money.

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