Hamlin High Dividend Equity Fund
Q2 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: $9.2B; Strategy AUM: $4.5B

Investment Philosophy & Objectives

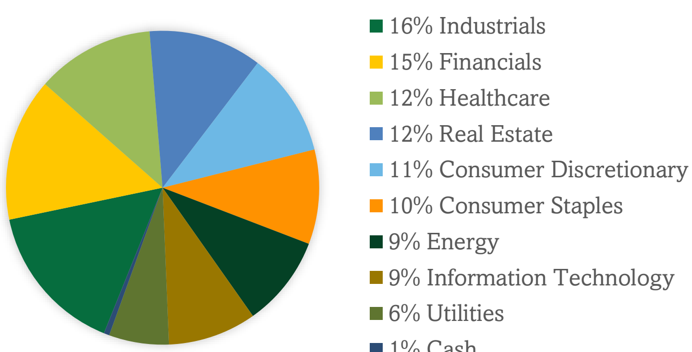
- **Income:** Target companies with a dividend yield at least 1.5x the S&P 500's with prospects for dividend growth
- **Downside Protection:** Versus the S&P 500
- **Quality:** Quantitative focus on free cash flow generation, balance sheet, and return on equity. Qualitative focus on secular growth, competitive 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, 2027

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	29	
Current Yield	3.0%	
ROE – Median 5 Year Average	24.7%	
Dividend Growth Rate – 3yr Average	8.5%	
Active Share	91.6%	
Price/Earnings (NTM) – Wtd. Avg.	17.1x	
Market Capitalization – Median	$80 Billion	
	Institutional	**Investor**
SEC 30-Day Yield – Subsidized	2.18%	1.88%
SEC 30-Day Yield – Unsubsidized	2.10%	1.79%

Net Performance
Since inception 3/30/2012

	2Q26	YTD	1-year	3-year	5-year	10-year	Inception
HHDFX	10.73%	11.47%	16.37%	15.45%	11.75%	11.75%	11.58%
HHDVX	10.65%	11.33%	16.05%	15.11%	11.41%	11.39%	11.17%
Russell 1000 Value Index	13.87%	16.26%	27.12%	17.79%	11.17%	11.52%	11.69%
S&P 500 Index	15.20%	10.21%	22.32%	20.61%	13.41%	15.51%	14.51%

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 10.73% for the second quarter of 2026, trailing the S&P 500 Index's 15.20%. After outperforming the index during the choppy first-quarter environment, our underweight to the Technology sector was the primary driver of relative underperformance. Hamlin's 11.47% year-to-date performance remains ahead of the S&P 500's 10.21%. Similarly, Hamlin's return in the quarter trailed the Russell 1000 Value Index's 13.87% gain largely because of our underweight in Technology. Stocks exposed to the AI-driven surge in demand for memory and CPUs rose significantly, with Micron, Intel, and SanDisk all up over 200% in the quarter and accounting for nearly 5% of Value's quarterly return. [1] Hamlin's return was ahead of the Dow Jones U.S. Select Dividend Index's 4.05% increase this quarter.

Within the portfolio, relative sector contributors to performance this quarter versus the S&P 500 were Real Estate, Health Care, and Industrials. Relative sector detractors were Information Technology, Energy, and Financials. The largest individual stock performance contributors were Cummins, Texas Instruments, Morgan Stanley, CVS, and Broadcom. The weakest performers were CME Group, ConocoPhillips, SLB, UGI Corp, and Enterprise Products Partners. During the quarter, we initiated a position in IBM, which offered a 2.4% yield on cost.

Nineteen of Hamlin's quarter-end holdings have announced dividend hikes so far in 2026, with an average increase of 5.9%. 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 8.5% compound annual rate over the last three years.

Market Outlook

The second quarter began with investors grappling with the implications of the Iran War. Headlines around the conflict, the status of the Strait of Hormuz, and the prospect of ceasefires drove swings in oil prices, Treasury yields, and investor sentiment. On days when geopolitical risk intensified and oil prices rose, interest rates often moved higher as investors worried about the impact of higher oil prices on inflation and consumer spending. On days when headlines improved, oil prices fell, Treasury yields declined, and markets became more constructive. The interplay among energy prices, inflation expectations, and monetary policy was one of the major themes in markets this quarter.

While the war appears to be inching towards resolution, its economic implications may be longer lasting. The price of oil remains above pre-war levels. Global inventories and strategic petroleum reserves that have been drawn down likely need to be replenished, which could keep upward pressure on energy prices. This complicates the interest rate outlook. Long-term yields remain elevated, near levels not seen since before the Global Financial Crisis. On the short end of the curve, the bond market has shifted from anticipating rate cuts to pricing in rate hikes later this year. The arrival of a new Federal Reserve Chair, Kevin Warsh, adds another layer of uncertainty as investors recalibrate expectations for how the central bank will handle inflation that's now in its 6th consecutive year above target.

The economy has held up surprisingly well despite the macro uncertainty. Labor data, retail sales, and other economic indicators have generally been better than expected. Corporate earnings remain robust. Consumer sentiment has improved recently, albeit off all-time lows. So far, the U.S. economy has proven more resilient than many investors expected.

Another major theme of the quarter pertains—once again—to artificial intelligence. We appear to have entered a new chapter in the AI journey, one that the tech industry is calling "agentic AI." Built on top of large language models, AI agents do more than generate text or summarize information. AI agents execute tasks, interact with software, automate workflows, and operate as digital labor. If generative AI was about answering questions, agentic AI is about doing actual work.

Agentic AI has added new companies to the list of AI winners. The computational requirements of agentic AI have boosted demand for CPU manufacturers, memory producers, legacy tech companies that sell servers and networking equipment, and others. Even some software companies that suffered steep stock price declines last quarter on AI-related fears got a boost from the idea that AI agents would use their software. The stock prices of these new AI winners increased sharply during the quarter as investors quickly sniffed out companies that have a whiff of agentic AI exposure.

We are observing the second-order impact of AI spending on the broader industrial economy. The vast sums of money spent building new data centers are beginning to show up in HVAC, industrial gases, warehouses, and other industries that had not previously been viewed as direct AI beneficiaries. This spillover effect is something we are paying close attention to because it presents a new slate of opportunities for us to consider.

We think it is noteworthy that several large companies in the AI ecosystem raised capital this quarter: Google, Meta, and Oracle announced large new equity and debt issuances, and SpaceX went public in June with much fanfare. Some market observers worry that the hundreds of billions of capital raised in June is evidence of market exuberance. Since January, the S&P 500's gains have come entirely from AI-related companies and Energy while the rest of the index is below where it began the year. The story of market concentration continues, with the added wrinkle of several tech mega-caps tapping markets this quarter to help pick up the tab.

The outsized influence of AI, combined with the lingering effects of the Iran war, leaves us cautious. At the same time, we recognize that this remains a period of strong earnings growth and more reasonable valuations, and the market could continue to grind higher from here.

We remind you that we do not select securities in order to align your portfolio's sector weights or holdings with those of any index. 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] Micron Technology (+235%), Intel (+216%), and SanDisk (+229%) contributed 4.94% to the Russell 1000 Value Index's 2Q return. Source: Bloomberg.
[2] Apollo, "Strip Out AI and Energy, and the S&P 500 is Down" (6/19/26). Strip Out AI and Energy, and the S&P 500 Is Down | The Daily Spark

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.