

Hamlin High Dividend Equity Fund

Q3 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: \$8.9B; Strategy AUM: \$4.5B

Investment Philosophy & Objectives

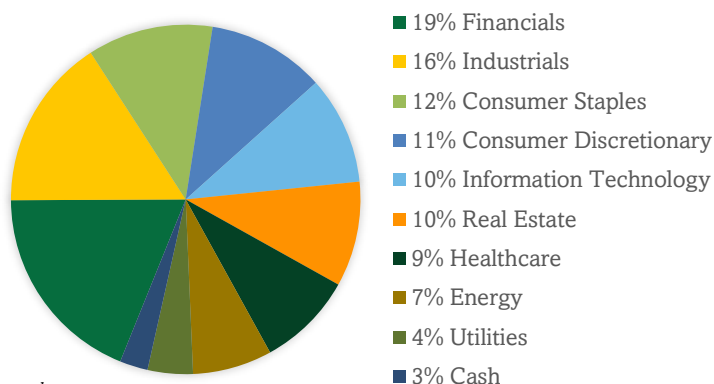
- Income:** Target companies with a dividend yield at least 1.5x the S&P 500's with prospects for dividend growth
- Downside Protection:** Versus the S&P 500
- Quality:** Quantitative focus on free cash flow generation, balance sheet, and return on equity. Qualitative focus on secular growth, competitive 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, 2026

Sector Weights



Subject to change.

Net Performance

Since inception 3/30/2012	3Q25	YTD	1-year	3-year	5-year	10-year	Inception
HHDFX	3.83%	7.57%	8.41%	17.99%	16.40%	11.65%	11.31%
HHDVX	3.77%	7.35%	8.11%	17.64%	16.06%	11.29%	10.90%
Russell 1000 Value Index	5.33%	11.65%	9.44%	16.96%	13.88%	10.72%	10.82%
S&P 500 Index	8.12%	14.83%	17.6%	24.94%	16.47%	15.30%	14.32%

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.

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.
AbbVie, Inc.
Morgan Stanley
Old Republic International Corporation
Cummins Inc.
CME Group Inc. Class A
Public Service Enterprise Group Inc
Enterprise Products Partners L.P.
Simon Property Group, Inc.
Unilever PLC Sponsored ADR

Portfolio Characteristics**

Number of Holdings	25	
Current Yield	3.13%	
ROE – Median 5 Year Average	27.1%	
Dividend Growth Rate – 3yr Average	9.2%	
Active Share	92.4%	
Price/Earnings (NTM) – Median	18.1x	
Market Capitalization – Median	\$71 Billion	
	Institutional	Investor
SEC 30-Day Yield – Subsidized	2.03%	1.74%
SEC 30-Day Yield – Unsubsidized	1.94%	1.64%

Performance and Portfolio Changes

The Hamlin High Dividend Equity Fund institutional class returned 3.83% for the third quarter of 2025, lagging the Russell 1000 Value Index's 5.33% and S&P 500 Index's 8.12% returns. Our 7.57% year-to-date return versus the Russell 1000 Value Index's 11.42% gain reflects weakness from our Industrials, Consumer Staples, and Real Estate holdings, as well as strong moves from higher beta and deep value names to which we have less exposure.¹ The Value index's timely addition of Google further helped the benchmark.² The stock market is not as strong as the S&P 500 Index's 14.83% year-to-date return implies: five of the market's eleven sectors are up 8% or less YTD as of 9/30/25.³ When the Magnificent Seven are eliminated from the index, the remaining stocks are up 8% this year on a median basis.⁴ Our focus on low debt and high return on equity dividend growers delivered five consecutive years of outperformance relative to the Russell 1000 Value Index through 2024, a welcome but unsustainable run. We are much more focused on our multi-year annualized returns, and Hamlin's record versus the Value benchmark remains very attractive over the trailing three-year, five-year, ten-year, and since inception periods.

Within the portfolio, relative sector contributors to performance this quarter were Health Care and Materials. Relative sector detractors were Information Technology, Consumer Staples, and Consumer Discretionary. The largest individual stock performance contributors were Broadcom, Cummins, AbbVie, Morgan Stanley, and Johnson & Johnson. The weakest performers were Texas Instruments, Paychex, Darden Restaurants, Watsco, and Ares Management. During the quarter, we purchased Dick's Sporting Goods and Philip Morris, which offered a yield on cost of 2.3% and 3.0%, respectively. We sold Extra Space Storage and Keurig Dr Pepper during the quarter.

Twenty 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 9.2% compound annual rate over the last three years.

Market Outlook

A global central bank easing cycle is under way, and investors hope that lower mortgage rates and financing costs will allow the economy to avoid recession. While we see pockets of consumer spending weakness alongside wobbly employment data, most of our management teams predict stable or improving demand. Earnings grew 12% in the recent second quarter, a remarkable outcome when we consider the corporate and consumer uncertainty around April's "Liberation Day" tariff policy. Analysts increased their profit growth expectations for the remainder of the year and they envision 11% earnings growth for 2026.⁵ Federal Funds rate reductions have consistently supported stock prices in the past and the money supply is growing again.

We remain concerned about Federal debt levels and a possibly premature central bank pivot towards accommodation. Inflation is running at about 3%, and the Fed has rarely cut rates at an all-time high for the stock market. There is a risk that President Trump has badgered the Federal Reserve into a policy error that requires a painful reversal. We also anticipate an inevitable Artificial Intelligence (AI) air pocket. Any sustained delay in companies' deployment of productivity-improving or customer experience-improving artificial intelligence solutions could cause Microsoft, Google, Meta, and OpenAI to slow spending on large language model data center build out. Watching Nvidia invest in customer OpenAI is reminiscent of AOL and Worldcom dotcom-era "circularity" transactions.

Equity valuations and historically tight credit spreads should give us all pause, and we should expect lower future returns over the next three years. The Hamlin mutual fund has compounded at 16.4% annually for five years, well above the long-term 9.7% annual S&P 500 return since 1928. Yet, high price to earnings (P/Es) are not at the top of our worry list. Valuations should increase with profitability, and S&P 500 Index margins and return on equity have expanded more than 3% and 4%, respectively, since 2013.⁶ It remains possible that AI-powered chat bots, genomic and proteomic cell target analysis, presentation preparation tools, and inventory optimization tools could lower employee headcounts, speed products to market, and improve the customer experience. Any combination of those outcomes should enhance margins and justify a higher P/E.

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 The S&P 500 High Beta ETF (SPHB) has returned 24.5% while the S&P 500 Low Volatility ETF (SPLV) is up 6.5% year-to-date through 9/30/25. An analysis of the Russell 1000 Value Index showed that the quintile of stocks with the lowest NTM P/E as of 12/31/24 has outperformed the remaining quintiles both on an average and median basis year-to-date through 9/30/25. Source: Factset.

² GOOGL/GOOG contributed 0.91% to the Russell 1000 Value Index ETF (IWD) in the third quarter and is the largest holding in the index. Source: Bloomberg.

³ Source: Factset.

⁴ Source: Factset.

⁵ Earnings growth for the recent second quarter and analyst earnings consensus growth expectations source from Factset. As of 9/30/25.

⁶ Source: Factset. As of 9/30/25

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.

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 9/30/25. 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.

The Hamlin High Dividend Equity Fund is distributed by SEI Investments Distribution Co., One Freedom Valley Dr. Oaks PA 19456, which is not affiliated with the Advisor.