Hamlin High Dividend Equity Fund

1-855-HHD-FUND

HAMLIN CAPITAL MANAGEMENT, LLC

December 31, 2019

Investment Objective

The Hamlin High Dividend Equity Fund seeks high current income and long-term capital appreciation.

Investment Strategy

Recognizing that compounding income can be a potent force of growth, we invest in dividend-paying equities. Investors deserve cash compensation for risking capital, and our analysis shows that dividend paying stocks have historically outperformed the broader market with lower volatility*. We believe that a healthy and consistent dividend policy enhances investor total return, endorses historic accounting statements, acts as an effective governor on capital allocation, and can smooth performance in down years. We focus on stocks with dividend yields at least 50% above the average yield of the components of the S&P 500 Index. Within this high income universe, we search for companies with low debt, ample free cash flow and high returns on equity. Typically candidates for purchase have a history of increasing dividends, and company management should be committed to a generous dividend policy. We are dedicated to rigorous financial statement analysis, focusing on our companies' true quality of earnings and capacity to cover an increasing dividend payment. While our strong balance sheet and dividend discipline generates many large company holdings, we invest across all capitalizations.

*Kenneth French, "Portfolios Formed on Dividend Yield 1928-2011"

About Hamlin Capital Management, LLC

Hamlin Capital Management, LLC, a Delaware limited liability company formed in 2001, serves as the investment adviser to the Fund. As of December 31, 2019, the Adviser had approximately $4.7 billion in assets under management. The Adviser makes investment decisions for the Fund and continuously reviews, supervises and administers the Fund's investment program.

Fund Statistics as of December 31, 2019

Number of Holdings		40
Median Market Cap		$35,776 mm
Median Price-to-Earnings (next twelve months) †		12.7x
SEC 30-Day Yield	Subsidized	Unsubsidized
Investor	2.93%	2.74%
Institutional	3.21%	3.02%

Investment Team

Charles S. Garland, CFA
Sr. Portfolio Manager
Yale University, BA English 1989

Christopher M. D'Agnes, CFA
Sr. Portfolio Manager
Bucknell University, BS Accounting 1999

Michael M. Tang, CFA
Senior Analyst
Summa Cum Laude, Princeton University, BA Economics 2007

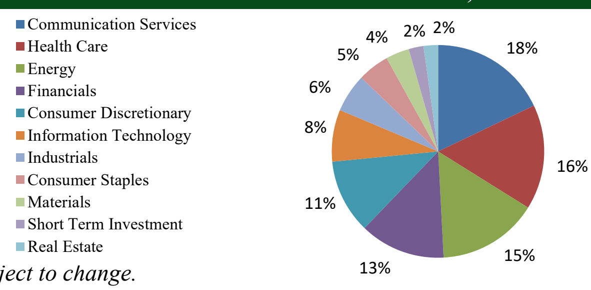
Jaclyn Hourihan
Associate Analyst
Trinitiy College, BA Economics 2010

Top Ten Holdings as of December 31, 2019 **

AT&T Inc.	4.6%
Verizon Communications Inc.	4.3%
Target Corporation	4.1%
Enterprise Products Partners L.P.	4.0%
BCE Inc.	3.8%
Sanofi	3.6%
AbbVie, Inc.	3.4%
Pfizer Inc.	3.3%
QUALCOMM Incorporated	3.1%
Chevron Corporation	3.0%

** 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.

Sector Breakdown as of December 31, 2019



Subject to change.

Fund Facts

	Investor Shares	Institutional Shares
Fund Symbol	HHDVX	HHDFX
CUSIP	00769G733	00769G741
Fiscal Year End	December 31	December 31
Inception Date	March 30, 2012	March 30, 2012
Initial Minimum Investment	$2,500	$100,000
Subsequent Minimum Investment	N/A	N/A
Expense Ratio (Net) ‡	1.24%	0.86%
Expense Ratio (Gross)	1.43%	1.05%
Benchmark	S&P 500	S&P 500

‡ Fee waivers are contractual through April 30, 2020.

Performance vs. Benchmark as of December 31, 2019

	QTD	YTD	One Year	Ann. Three Year	Ann. Five Year	Ann. Since Inception (3/30/12)
HHDVX	4.79%	21.83%	21.83%	8.69%	6.85%	10.17%
HHDFX	4.86%	22.26%	22.26%	9.10%	7.25%	10.64%
S&P 500	9.07%	31.49%	31.49%	15.27%	11.70%	13.66%

Performance data quoted represents past performance and does not guarantee future results. 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.

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December 31, 2019

PERFORMANCE and PORTFOLIO CHANGES

The Hamlin High Dividend Equity Fund institutional class returned 4.86% for the fourth quarter of 2019, trailing the S&P 500 Index's 9.07% total return. . Global central bank easing, meaningful de-escalation of trade tensions with China, and greater visibility regarding Britain's exit from the European Union buoyed equity markets. Your conservatively managed income portfolio was no match for the tech-heavy growth lead S&P 500. The Russell 3000 Value index was up an admirable 7.46% in the quarter, but higher income strategies were out of favor. The Dow Jones U.S. Select Dividend Index (as tracked by the DVY ETF) was up 4.52% in the quarter, closer to Hamlin's return.

For the full year, the fund returned 22.26% versus the S&P 500 Index's 31.49% total return. 2019 marked the third straight year of growth outperforming value. The Russell 1000 Growth Index return of 36.39% far exceeded the Russell 3000 Value Index return of 26.24%. Income equities were out of favor for the full year. The fund's return was more in line with the DVY's full year return of 22.62% and the Lipper Equity Income Category's return of 24.35%. Please remember that we do not select securities to align with any index's sector weightings or holdings. We aim to construct a quality portfolio with high current income. Our goal is to preserve our individual clients' lifestyles and help our institutional clients meet their objectives while protecting against inflation with future dividend increases and long term capital appreciation.

Within the portfolio, relative sector contributors to performance this quarter were Industrials, Utilities and Real Estate. Relative sector detractors were Communication Services, Financials, Technology and Energy. The largest individual stock performance contributors were Target, Abbvie, Qualcomm, Keycorp and Eaton. The weakest performers were Cinemark, MDC, Old Republic, BCE and Flowers Foods. During the quarter we initiated positions in Johnson & Johnson and Broadcom, which offered a combined average yield of 3.31% on cost, meaningfully above the S&P 500 Index's 1.9% yield as of 12/31/2019. We did not exit any positions during the quarter.

PORTFOLIO STRATEGY

Beyond the specter of conflict with Iran, 2020 begins with a much friendlier equity investment backdrop. As of this writing, stock prices and valuation levels reflect rosy financial conditions with low short term rates, tight credit spreads, and brisk money supply growth. Low unemployment, rising personal incomes and improving purchasing manager indices imply bright prospects for revenue growth for U.S. companies. Having read the recent financial headlines, the retail investor has become bullish. The American Association of Individual Investors bearish percentage has plummeted to 21.9% (as of 1/02/20) from 50.0% a year ago. At Hamlin, we like a wall of worry. Although watching the yield curve steepen, checking off Brexit, and signing a Phase 1 Trade Deal with China feel good, stocks in general have tended to do better when investors are fearful.[1]

Several factors could disrupt investor complacency. While future economic policy will be governed primarily by congress, portfolio managers are likely to fret about November's presidential election. Elevated corporate debt levels are another headwind. At some point, with the non-financial debt to EBITDA ratio[2] near record highs, companies will be obliged to borrow less to buy back stock, make acquisitions, or invest in capital projects. elevated federal and state debt could eventually lead to higher taxes, lower social security and pension payments, or both.

While the Federal Reserve's three rate cuts and accommodative message have been helpful to stocks over the last year, we suspect that monetary policy will be the cause of our next downturn. Nine Federal Funds rate hikes and quantitative tightening inverted the yield curve and drove stocks to the brink of a bear market in December 2018. Perhaps excessive accommodation will be the next problem. The Federal Reserve appears to be blatantly targeting an acceleration of inflation, and it seems that they are starting to get their way.

Wage inflation has been percolating. The dollar has been weakening. Gold has been rising. Most money managers have never experienced accelerating inflation. Businesses tend to postpone expansion as margins typically contract with input costs rising more quickly than sales prices. Banks require higher rates of interest because money paid back years later has lower purchasing power. Higher prices for goods and services tend to crimp consumer demand and corporate revenues tend to slow. As interest rates move higher and earnings visibility recedes, PE (price to earnings ratio[3]) multiples should decline.

We may well head higher first. Several bullish factors could support equities or render a corrective phase manageable. There is lots of cash on the sidelines. Private Equity funds have $1.5 trillion of dry powder. Retail investors, though responding bullishly to recent survey questions, have yanked $156B[4] out of stock funds over the past year. While the S&P 500 Index does not look like a bargain to us, many investment advisors will credibly suggest that current PEs make sense in a low rate environment.

While ever mindful of the macro-economic investment climate, we spend most of our time on security-specific research. Recall that Hamlin stocks should provide a compensatory cash return, and they should be managed by executives who demonstrate a commitment to increase future dividend payouts. We invest primarily in businesses with high dividend yields, manageable debt loads, attractive returns on equity, and ample free cash flow-to-dividend coverage ratios. We still believe that miniscule money market interest rates are confounding income-hungry retirees. We think that aging Americans and their investment advisors will favor the very same high-income stocks that we are purchasing for the mutual fund, particularly given the sector's current tax advantage.

[1]Thorp, W. A. (n.d.). Investor Sentiment as a Contrarian Indicator. https://www.aaii.com/journal/sentimentsurveyarticle.
[2]Debt to EBITDA ratio measures the amount of income generated and available to pay down debt before covering interest, taxes, depreciation, and amortization expenses.
[3]This is calculated by dividing a company's share price by its earnings per share.
[4]Investors have taken a total of more than $156B out of mutual funds and exchange traded funds this year, according to data from Refinitive Lipper – the highest annual figure since the company began collecting data in 1992. Equity mutual funds had outflows of $248B, while equity ETFs have seen $92B net inflows. Financial Times.