

Hamlin Capital Management, LLC

Part 2A of Form ADV

The Brochure

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This brochure provides information about the qualifications and business practices of Hamlin Capital Management, LLC (“Hamlin”). If you have any questions about the contents of this brochure, please contact us at (212) 752-8777. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Hamlin is also available on the SEC’s website at: www.adviserinfo.sec.gov. Registration as an investment adviser does not imply a certain level of skill or training.

Material Changes

Hamlin’s most recent update to Part 2 of Form ADV was made in March 2011. Hamlin’s business activities have not changed materially since the time of that update. However, in 2010 the SEC required significant changes to the content and format of Part II of Form ADV. This brochure, which reflects those changes, is materially different from brochures used by Hamlin in prior years.

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Advisory Business

Hamlin draws its investment history from its predecessor sister firm, RRH Capital Management, Inc., founded in 1984. Hamlin registered with the SEC in 2002. Hamlin is primarily owned by Vivian Pan, Lucy M. Stitzer, and Mark Stitzer. As of March 4, 2011, Hamlin managed \$1,124,589,429 on a discretionary basis on behalf of 715 separately managed accounts and two pooled investment vehicles (the “Funds”).

Hamlin offers equity and fixed income investment advice for a fee through separately managed accounts and the Funds. Fees are described in the *Fees and Compensation* section below.

Hamlin manages its client’s assets based on the individual needs of each client. At the onset of a client relationship, Hamlin identifies client-specific investment objectives and/or restrictions, mutually agreed upon asset allocation between equities, fixed income, and cash or cash equivalents, and the types of investments that shall be held by the client. Clients may impose restrictions on their account based on specific securities, security type, or industry type, among others.

Hamlin's approach to asset management emphasizes current income. High-yield common stocks and high-yield bonds (primarily tax-exempt and taxable municipal bonds) may constitute a majority of a client's Hamlin portfolio. The balance of client assets of a client's portfolio generally will be invested in government instruments, common stocks, money market funds, and cash or cash instruments. Some taxable clients' portfolios may, at the request of the client, hold only high-yield municipal bonds. Hamlin's investment supervisory services include transactions in certificates of participation, which are fixed-income investments that have a very similar structure to the municipal bonds managed by Hamlin. The primary difference between certificates of participation and municipal bond investments is that the typical certificate of participation gives the lender a lien on a lease while the typical municipal bond structure gives the lender a lien on property.

Hamlin serves as a portfolio manager and sub-adviser for several clients who have been introduced to Hamlin by unaffiliated third-party advisers. Hamlin has entered into a sub-advisory agreement with the advisers and does not maintain separate investment management agreements with sub-advisory clients. Accordingly, Hamlin is relying on the advisers' assessment to determine if Hamlin's investment strategy is suitable and appropriate for such clients.

In addition, Hamlin participates in wrap fee programs sponsored by Credit Suisse Securities (USA), LLC, Barclay's, and UBS by providing portfolio management services. As part of the wrap fee programs, Hamlin manages the fixed income portion of certain client's accounts and receives a portion of the wrap fee for its advisory services which is paid by the client to the sponsor of the wrap fee program.

Fees and Compensation

The standard fee schedule for separate account clients is up to 1.25% of the clients' assets under management. Advisory fees are negotiable depending on the size and nature of the portfolio and whether the account is managed through a wrap fee program. Hamlin also charges a fixed fee to certain advisory client accounts. As noted above, Hamlin acts as a sub-advisor for certain clients; in such instances, Hamlin may reduce fees to such clients. Advisory fees are payable quarterly in arrears and are often debited directly from the client's custody account in line with standing instructions from the client. Some clients request to receive an invoice for fees, rather than the fee being directly debited from their account. Some clients pay their fees at year-end. An advisory contract may be terminated by either party on thirty days prior written notice. However, a client may also terminate an advisory contract with Hamlin within five business days after execution of such contract without penalty.

In addition to the fees and expenses mentioned above for the advisory services of Hamlin, Hamlin reserves the right to charge clients a reasonable fee for certain administrative services performed by Hamlin on behalf of the client. Hamlin shall obtain approval from client prior to client incurring any such administrative charges.

In connection with certain investments that are made by Hamlin on behalf of its advisory clients, Hamlin may be paid by the "borrower" or issuer of such investments various fees and/or expenses

including but not limited to: structuring, re-structuring and/or origination fees. In some cases, the borrower or issuer of the bond is a Hamlin client. Such fees/expenses are typically earned by Hamlin for providing assistance with the structuring of certain bond deals in which clients may invest. These fees/expenses, which may be paid to Hamlin by the issuer on a recurring basis, shall be retained by Hamlin and will not be remitted back to any of Hamlin's clients including those that participate in the relevant transaction. On occasion Hamlin will utilize this money to pay legal or administration fees associated with the structuring or re-structuring of a bond transaction.

Hamlin also provides investment advice to the Funds which are offered to persons or entities meeting certain minimum net worth requirements. Hamlin receives a 1.00% annual management fee, which is negotiable, and is payable quarterly in arrears.

Certain fixed-income securities held in client's portfolio may have greater minimum denomination requirements if held outside Hamlin's supervision. Client grants Hamlin the right, but not the obligation, exercisable at Hamlin's sole discretion, to liquidate in whole or in part, any funds and/or securities maintained in client's portfolio upon client's or Hamlin's termination without regard to client's tax liabilities that may be incurred upon such liquidation. Hamlin believes that such right is necessary and integral to its management of all client accounts in order to insure bondholders interests are as well protected as possible.

Clients will incur brokerage and other transaction costs in addition to the fees discussed above. Please refer to the *Brokerage Practices* section of this brochure for additional information.

Clients should be aware of the fact that asset based advisory fees charged for the provision of Hamlin's investment management services are based upon Hamlin's valuation of securities and investments which are reflected on its internally generated portfolio appraisal statements. These statements may show different market values for particular investments than what is reflected on a client's custodial statement. Hamlin maintains policies and procedures regarding the valuation of securities and investments held in clients' accounts. In the case of a security with no readily available market quotation, such security or investment shall be valued in a manner determined in good faith by Hamlin to reflect its fair market value. Such fair market value would be based on prices and/or quotes obtained by Hamlin from independent third parties (e.g., underwriters). The non-rated tax-exempt bonds Hamlin manages are unique investments; therefore, the Hamlin appraisal may show a different market value than what is reflected on a client's custodial statements. This is because most custodians use one of several pricing services which estimate bond prices based on a matrix system and usually excludes the actual creditworthiness of the bonds. In general, our portfolio appraisal provides clients with pricing information taken directly from the underwriters who have specific knowledge about each individual bond issue.

Upon occasion, underwriters of certain bond offerings may provide Hamlin with advice related to the pricing and/or valuation of certain of the investments related to these offerings, and employees of these underwriters may be advisory clients of Hamlin's. However, these advisory clients are prohibited from participating in any bond deals that they have helped price, and are not given any preferential treatment as a result of their business relationship with Hamlin.

Performance Based Fees and Side-by-Side Management

Hamlin does not charge any performance based fees.

Types of Clients

Hamlin primarily provides customized investment advisory services to individuals and associated trusts, estates, charitable organizations, pension and profit sharing plans, and corporations or business entities. In addition, Hamlin serves as the general partner of and the investment manager and/or investment adviser to the Funds.

Hamlin generally requires the following minimum account sizes and imposes a minimum fee of \$1,000.00 per annum:

\$2,000,000 – for separately managed bond only accounts

\$1,000,000 – for separately managed balanced accounts

\$1,000,000 – for an initial investment by limited partners in Hamlin Income Plus Fund, LP

\$250,000 – for an initial investment by limited partners in Hamlin Yield Partners, LP

Methods of Analysis, Investment Strategies and Risk of Loss

Hamlin investment analysis methods include fundamental and technical analysis. Hamlin utilizes financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, annual reports, prospectuses and filings with the SEC, and company press releases, among other items, as part of the research process. In addition, Hamlin examines legal documents pertaining to municipal bond issues. Hamlin coordinates such review with Hamlin's legal counsel, which is retained specifically for this purpose.

We seek an immediate cash return on equity dollars invested. We believe that a healthy and consistent dividend policy enhances investor total return, endorses historic accounting statements, and acts as an effective governor on capital allocation. We focus on stocks with dividend yields at least twice that of the S&P500 index yield. Within this high income universe, we search for companies with low debt, ample free cash flow and high returns on equity. While our strong balance sheet and dividend discipline generates mostly large company holdings, we invest in all capitalizations. We are particularly interested in high dividend-yielding stocks with strong balance sheets that we believe are under-followed by other managers and Wall Street analysts.

Candidates for purchase should have a history of increasing dividends and we seek to identify company management teams with experience, significant equity ownership and a tangible commitment to paying consistent and growing dividends over time. We are dedicated to rigorous analysis of company filings and financial statements, focusing on a companies' true quality of earnings and capacity to cover an increasing dividend payment. Our goal is to understand the capital structure of the business and the consistency of cash generation. Through conversations with company management and their competitors, we seek to identify a fundamental company and industry investment thesis strong enough to attract investor capital over the next several years.

Extensive valuation work completes our investment process. We triangulate between a proprietary Hamlin Dividend Discount Model, discounted future earnings power analysis and historical multiple analysis (absolute and relative to peers) to identify fair value. We purchase when the current price implies a wide margin of safety and significant upside to our assessment of fair value.

As mentioned previously, Hamlin's approach to asset management emphasizes current income. High-yield common stocks and high-yield bonds constitute a majority of a client's portfolio. The balance of client assets of a client's portfolio generally will be invested in government instruments, common stocks, money market funds, and cash or cash instruments. Some taxable clients' portfolios may, at the request of the client, hold only high-yield municipal bonds. Investing in securities involves risk of loss that all clients should be prepared to bear. Hamlin can utilize long term purchases and trading to implement its investment strategies.

The objective of investing in high-yield securities and bonds is to allow client portfolios to compound income. Taxable clients benefit from municipal bond income as it is not taxed by the Federal government (unless an Alternative Minimum Tax is applied). If the bond is issued by a municipality in which the client is domiciled, the client's income from that particular bond may also be free of state and local taxes.

The municipal bonds that Hamlin analyzes and in which it invests clients' assets usually are non-rated, high-yield securities. These bonds typically pay a higher rate of interest than rated bonds. The term non-rated, in Hamlin's view, does not necessarily imply that a bond is not credit-worthy. Sometimes the size of a bond issue is too small to afford the cost of being rated by a rating agency. The price of a non-rated bond is generally based upon the current market conditions for a security of similar size, rating and denomination that have similar purposes. These market valuations are influenced significantly by the fact that the securities are infrequently traded, non-rated, in large denominations, and other factors. Hamlin periodically discusses each bond issue with the underwriter of the bond or other dealers which price the non-rated issues. Among other things, Hamlin and the underwriter or broker-dealer review recent financial data, trades away from Hamlin, prices of the sector, and market conditions in the high yield bond marketplace.

Hamlin believes that it may be advantageous to purchase the entire issue of a non-rated bond. Hamlin generally structures the terms of such purchases with legal counsel. The ownership of an entire issue also gives Hamlin relatively more (but not total) control over the issue and subsequent events concerning the issue because Hamlin does not share control with other investors. As is the case with all bonds, there is always the possibility of default with respect to an issue. Controlling a majority of or the entire class of debt securities may result in additional challenges in determining the perceived market value of the security. Such challenges may occur due to the unique characteristics of the issuer, lack of trading of the specific security, and/or lack of other market participants willing to purchase the security. Certain securities recommended by Hamlin are substantially illiquid.

Non-rated municipal bonds typically are not general obligations of the municipal issuer, but are special, limited obligations of an obligor of the funded project. The bonds will not carry a rating from any rating service. From time to time, Hamlin may purchase non-rated municipal bonds that

are issued without registration under the provisions of the Securities Act of 1933 (“Securities Act”), or any state laws. These bonds are purchased for clients who are “accredited investors” as the term is defined in Rule 501 of Regulation D promulgated under the Securities Act, or a “qualified institutional buyer” as the term is defined under Rule 144A of the Securities Act. Hamlin purchases bonds for clients for the purpose of long term investment without a current view to any distribution or sale of the bonds. For the unregistered bonds, there may be transfer restrictions in which bonds are allowed to be transferred only to “accredited investors” or a “qualified institutional buyer”. As with all investments, non-rated municipal bonds bear risks for an indefinite period of time and any sale prior to maturity may not be possible.

Hamlin client portfolios may also include stocks not widely held by institutions. Hamlin believes this characteristic may give clients a better value and a greater potential for price appreciation than those offered by widely-held securities.

Disciplinary Information

Hamlin and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client’s evaluation of the company or its personnel.

Other Financial Industry Activities and Affiliations

Hamlin and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest.

Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading

Hamlin or a related person may purchase securities from, or sell securities to a client. Generally, such transactions are executed only upon client request. In accordance with Section 206(3) of the Investment Advisers Act of 1940 (“Advisers Act”), as amended, and the interpretations thereunder, prior to the completion of any such transaction, Hamlin will disclose to the client in writing that Hamlin or a related person will be acting in a principal capacity. Prior to the completion of any such transaction, Hamlin will obtain such client’s specific consent to the transaction. In no event will a Hamlin client be obligated to enter into, or consent to, any such “principal” transaction.

Hamlin may recommend that its clients invest in the Funds that it sponsors and manages. Hamlin benefits from certain clients investing in the Funds since it receives an asset based investment management fee for such investment. A potential conflict of interest also exists when Hamlin permits its employees to buy and sell the same securities in which clients invest. Many of Hamlin’s employees maintain separate accounts with Hamlin and pay a fee for the management of such accounts. As such, certain of Hamlin’s employees are clients of Hamlin and will invest in the same securities as clients. As discussed in the *Brokerage Practices* section below, Hamlin effects batched transactions in a manner designed to ensure that no participating client, including any related account, is favored over any other client.

To avoid potential conflicts of interest involving personal trading, Hamlin has adopted a Code of Ethics (the “Code”), which includes a formal code of ethics and insider trading policies and procedures. Hamlin’s Code requires, among other things, that Employees:

- Act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets;
- Place the integrity of the investment profession, the interests of clients, and the interests of Hamlin above one’s own personal interests;
- Adhere to the fundamental standard that you should not take inappropriate advantage of your position;
- To the extent practicable, avoid any actual or potential conflict of interest;
- Conduct all personal securities transactions in a manner consistent with this policy;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities;
- Practice and encourage others to practice in a professional and ethical manner that will reflect credit on yourself and the profession; and
- Comply with applicable provisions of the federal securities laws.

Hamlin’s Code requires employees to: 1) pre-clear certain personal securities transactions, 2) report personal securities transactions on at least a quarterly basis, and 3) provide Hamlin with a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which such Employees have a direct or indirect beneficial interest.

A copy of Hamlin’s Code shall be provided to any client or prospective client upon request.

Brokerage Practices

In considering through which firm brokerage transactions should be made, Hamlin considers research provided to it, among other things. Generally, Hamlin will attempt to place portfolio transactions with broker-dealers who, in its opinion, provide the best combination of price and execution (including brokerage commissions). Hamlin may have an incentive to select or recommend a broker-dealer based on the interest of receiving research products and services, rather than on the client’s interest in receiving the most favorable execution.

In determining whether to effect brokerage transactions for its clients through brokers or dealers who provide Hamlin with “research services,” as that term is used in Section 28(e)(3) of the

Securities Exchange Act of 1934, Hamlin will determine in good faith that the amount of commission paid is reasonable in relation to the value of the products and brokerage and research services received from such broker or dealer, viewed with respect to either the particular transactions involved or Hamlin's overall responsibilities to all of its clients. The research services obtained may include a broad variety of financial and related information and services, including written or oral research and information relating to the economy, industries or industry segments, a specific company or group of companies, software or written financial data, electronic or other quotations or market information systems, financial or economic programs or seminars, or other similar services or information believed to assist Hamlin and its advisory functions and services. Hamlin believes that its ability to obtain such products, research and services, is an integral factor in the level of the advisory fees charged to clients and may benefit all clients.

In addition to generating soft dollar credits on agency transactions, which afford money managers the highest level of cost transparency, Hamlin generates soft dollar credits on principal transactions involving fixed income securities and new issues. Such transactions normally include a dealer's spread that is not disclosed on the trade confirmation. In general, a principal transaction does not provide an equivalent amount of cost transparency as that which may be found in an agency transaction. Nevertheless, Hamlin shall make a good faith effort to determine that the products and services received, including those outside the safe harbor of Section 28(e), are commensurate with the costs paid to such broker-dealers. As is always the case, Hamlin will continue to seek to obtain the best execution on its clients' securities transactions.

Hamlin maintains an informal internal allocation procedure to identify those brokers who have provided it with research and execution services that Hamlin considers useful to its investment decision-making process. These internal guidelines are based, in part, on the quality and usefulness of the research provided and its value to Hamlin. The amount of brokerage specifically allocated to any broker will be based, in part, on the cost of such research to the broker, and the amount allocated is generally higher than that which Hamlin would pay for the research were it to pay for it in cash using its own funds. When Hamlin uses client brokerage commissions to obtain research or other products or services, the firm receives a benefit because it does not have to produce or pay for the research, products, or services. Clients should consider that there is a potential conflict of interest between their interests in obtaining best execution and Hamlin's receipt of and payment for research through brokerage allocations as described above. Hamlin at all times attempts to match the interest of clients but may not be able to do so in best execution and in the accumulation of research funds that are critical for Hamlin investment management services.

The soft dollar research obtained by Hamlin normally benefits many accounts rather than just the one(s) for which the order is being executed, and not all research may be used by Hamlin in connection with the account(s) which paid commissions to the broker providing the research. For example, Hamlin may utilize the commissions paid by its clients who invest in equity securities to obtain fixed-income research services. In this situation, the fixed-income research may benefit only a select group of Hamlin's clients that is different from the group whose commissions generated the soft dollar credits. Certain clients require that their accounts be custodied at broker-dealers that do not generate soft dollar commissions. Such accounts will not pay commissions for

soft dollar research but will benefit from the soft dollar research paid for by other accounts managed by Hamlin.

Hamlin receives certain third-party products and services, including, among other things: the William O'Neill database, Factset Research, access to Bloomberg research, trade magazines and technical journals not targeted to a wide, public audience, and consultant reports regarding defaulted securities invested in by Hamlin. Hamlin also utilizes soft dollar credits that are generated on municipal bond transactions to pay for legal fees that Hamlin deems essential for the protection of the interests of Hamlin clients who own non-rated tax-exempt bonds. During the course of ownership of such bonds Hamlin may require expert advice, including legal advice on aspects of the Loan Agreement, Trust Indenture, and other subjects that protect clients' interests in these bonds and at the same time provide Hamlin assistance in formulating a decision as to the future viability or performance of these investments. Hamlin has determined that the most cost effective and expeditious way to pay for such expert advice is through soft dollar arrangements.

Legal expenses, even if they are incurred to protect bondholder interests, are considered by the SEC to be overhead, or non-research expenses of Hamlin, and outside of the scope of the safe harbor of Section 28(e). Hamlin will utilize advisory clients' commissions to obtain soft dollar credits to pay for legal and expert advice expenses that benefit clients' interests in the ownership of non-rated bonds. Certain clients whose fixed income commissions are used to generate the soft dollar credits may not benefit directly from each specific transaction if they do not hold the specific issue which requires the payment of legal and/or expert advice expenses. Hamlin believes that its ability to obtain such services through the soft dollar arrangement is an integral factor in the level of the advisory fees charged to clients and may benefit all clients.

In addition to maintaining formal third-party soft dollar arrangements, many of the broker-dealers utilized by Hamlin provide the firm with access to proprietary research reports (such as standard investment research) which are used to manage all accounts at Hamlin.

To the best of Hamlin's knowledge, these and other products and services are generally made available to all institutional investors doing business with such broker-dealers. These bundled services are made available to Hamlin on an unsolicited basis and without regard to the rates of commissions charged or paid by Hamlin or the volume of business Hamlin directs to such broker-dealers. Since these products and services are merely made available by broker-dealers as part of a bundled business package to Hamlin, who may or may not use them, it is Hamlin's understanding that such broker-dealers do not set discrete prices for such products and services. Accordingly, Hamlin does not separately compensate such broker-dealers for the provision of such services and does not believe that it "pays-up" for such broker-dealers' services due to the difficulty associated with the broker-dealers not breaking out the costs for such services.

Hamlin may purchase certain soft dollar products and services from its own advisory clients to avoid having to rely on "street" research that may not always be truly independent. Again, as noted above, Hamlin always determines in good faith that the commission paid is reasonable in relation to the value of the research provided.

A client may direct Hamlin to utilize a particular broker-dealer to execute some or all transactions for the client's account. In such circumstances, the client is responsible for negotiating the terms and arrangements for the account with that broker-dealer. Hamlin will not seek better execution services or prices from other broker-dealers or be able to aggregate the client's transactions, for execution through other brokers-dealers, with orders for other accounts advised or managed by Hamlin. As a result, Hamlin may not obtain best execution on behalf of the client, who may pay materially disparate commissions, greater spreads or other transaction costs, or receive less favorable net prices on transactions for the account than would otherwise be the case. In the event that a client is referred to Hamlin by a broker-dealer, Hamlin may have a potential conflict between the client's interest in obtaining best execution and Hamlin receiving future referrals from the broker-dealer. Orders for clients who direct Hamlin to utilize a specific broker-dealer shall typically be placed after those executed for clients who do not place trading restrictions on Hamlin. Accordingly, such clients may not pay the same price, or receive the same or as favorable an execution, for same-way trades that Hamlin executes in a security for multiple clients on the same day.

Transactions for each client account generally will be effected independently, unless Hamlin decides to purchase or sell the same securities for a number of client accounts simultaneously. When possible, orders for the same security may be combined or "batched" to facilitate best execution and to allocate equitably among Hamlin's clients differences in prices that might have been obtained had such orders been placed independently. Accounts in which a related person or affiliate of Hamlin has a financial interest ("related accounts") may participate in batched transactions with Hamlin's other advisory clients. Hamlin effects batched transactions in a manner designed to ensure that no participating client, including any related account, is favored over any other client. Specifically, each client that participates in a batched transaction will participate at the average share price for all of Hamlin's transactions in that security on that business day, with respect to that batched order. Securities purchased or sold in a batched transaction are allocated pro-rata, when possible, to the participating client accounts in proportion to the size of the order placed for each account. Hamlin may, however, increase or decrease the amount of securities allocated to each account if necessary to avoid holding odd-lot or small numbers of shares for particular clients. Additionally, if Hamlin is unable to fully execute a batched transaction and Hamlin determines that it would be impractical to allocate a small number of securities among the accounts participating in the transaction on a pro-rata basis, Hamlin may allocate such securities in a manner determined in good faith to be a reasonable and fair allocation.

When Hamlin transacts in initial public offerings (IPO) for advisory accounts, Hamlin takes into account cash availability, suitability, investment objectives and guidelines, custodianship, and other factors deemed appropriate in making investment allocation decisions. Allocation of IPO shares will not be made to client accounts that are custodied at certain broker/dealers who will not settle away-trades from third party broker/dealers (i.e., the IPO underwriting institution or syndicate institutions). Hamlin will identify suitable advisory accounts and will determine the shares per IPO order based on percentage target of assets under management. Percentage targets per advisory account may vary due to cash availability, suitability, investment objectives, and guidelines. Once an allocation is received back from the IPO underwriter, Hamlin will allocate

shares pro-rata to original allocation. Advisory accounts that fall under 100 shares threshold may be eliminated for allocation.

Hamlin occasionally executes over-the-counter securities transactions on an agency basis. Thus, Hamlin's clients may incur two transaction costs for a single trade: a commission paid to Hamlin's executing broker-dealer plus any mark-up or mark-down charged by the market-making broker-dealer, which is included in the offer or bid price of the securities purchased or sold. Hamlin would execute such transactions on a principal basis if it believed that doing so would be favorable compared to executing on an agency basis.

Hamlin may use client cross transactions to reallocate bonds among clients. A cross transaction occurs when Hamlin causes one client to sell a bond to another client in an arms-length transaction. There are several reasons why a cross transaction may occur. One reason is that the selling client requires cash, and the buying client has cash and needs bonds. Another reason is that Hamlin is purchasing a new issue that clients will best utilize if Hamlin rebalances their existing portfolio. The word "rebalance" means that Hamlin has determined that some or all of Hamlin's clients will benefit by purchasing the new issue and simultaneously selling portions of their current positions to other clients. One benefit is widened diversification among all client portfolios. Clients that participate in cross transactions may incur a markup or mark-down charged by the broker-dealer. For clients interested in evaluating such transaction costs, certain municipal bond transactions are posted on the Municipal Securities Rulemaking Board's website and available for public viewing.

If Hamlin manages the client account of a wrap fee client, the client should be aware that Hamlin may not be provided sufficient information by the wrap fee program sponsor to perform an assessment as to the suitability of Hamlin's services for the client. Hamlin will rely on the wrap program sponsor who, within its fiduciary duty, must determine not only the suitability of Hamlin's services for the client, but also the suitability of the wrap fee program itself for the client. Furthermore, Hamlin will make every effort to obtain best execution within any constraints that may be set forth by the client and the wrap fee program sponsor.

Any clients referred to Hamlin through a wrap fee program should understand that in almost all, if not all, cases, Hamlin will execute such clients' securities transactions with broker-dealers other than the wrap sponsor. Such "trading away" from the wrap sponsor the clients referred to pay agency commissions and/or transaction costs that are imbedded into the price of the securities Hamlin purchases (also known as trades that are executed on a "net" or "principal" basis as is the case with most securities traded in an over-the-counter or dealer market). Hamlin believes that its ability to trade away from the wrap sponsor ensures that it continues to seek to obtain best execution on all client orders. Accordingly, a client's selection of Hamlin as investment manager through the wrap fee program means that such client shall typically pay multiple layers of transactions costs for all trades executed by Hamlin – a transaction cost paid to the executing broker-dealer other than the wrap sponsor (trade-away brokers) and transaction costs included in the wrap fee paid to the wrap sponsor. Management fees paid to Hamlin are included in the wrap fee. The fees described above, in aggregate, may be higher than if the broker dealer and investment adviser's services were unbundled and engaged separately.

Review of Accounts

Hamlin's investment committee reviews client accounts on a quarterly basis. The Hamlin investment committee consists of Vivian Pan, Chris D'Agnes and Joe Bridy. Mark Stitzer, CEO, usually attends committee meetings. Vivian Pan is the Chairman of the investment committee. The senior counselor to each client is responsible for seeing to it that the client's portfolio is reviewed at least quarterly.

Hamlin's investment committee will examine each portfolio and will compare the respective portfolios of securities. The committee will then look at the major attributes of each portfolio such as yield, percent of assets in fixed income, equities, concentration of assets in sectors, total rate of return over several time periods, structure of assets compared to statement of investment objectives for each client.

Written reports of the market value of a client's portfolio, including performance, are sent quarterly to clients under Hamlin's management. It should be noted that the aforementioned reporting excludes portfolios managed by Hamlin as a sub-adviser. The adviser is responsible for providing each client referred to Hamlin account statements and any other requisite or required regulatory reports.

Client Referrals and Other Compensation

In general, Hamlin's employees who refer or help solicit separate account clients to Hamlin may be compensated on the basis of a percentage of the advisory fees paid by such referred client to Hamlin. Certain unaffiliated third-parties are compensated by Hamlin for client referrals based on a percentage of the advisory fees paid by the referred client. Hamlin will ensure that such arrangements comply with Rule 206(4)-3 under the Advisers Act.

Custody

All client assets are held in custody by unaffiliated broker-dealers, banks, or other qualified custodians. Separate account clients shall receive account statements directly from their broker-dealer, bank, or other qualified custodian on at least a quarterly basis. Hamlin urges clients to carefully review those statements and compare them to any statements sent directly by Hamlin.

The Funds are subject to an annual audit and the audited financial statements are distributed to each limited partner. The audited financial statements will be prepared in accordance with generally accepted accounting principles and distributed within 120 days of the Fund's fiscal year end.

Investment Discretion

Hamlin has investment discretion over clients' accounts, including the amount and price of securities bought and sold, the preferred broker-dealer, and the commission rate, as applicable.

The discretionary authority granted to Hamlin for separate account clients is evidenced in the investment advisory agreement that is executed by Hamlin and the client at the inception of the advisory relationship. Clients can place reasonable restrictions on Hamlin's investment discretion. For example, clients can request specific limitations on discretion over the broker-dealer used and impose investment restrictions on the account as discussed in the *Advisory Business* section of this brochure. For the Funds, investors sign a subscription agreement to document the discretionary authority granted to Hamlin as investment manager or adviser to the Fund.

Voting Client Securities

Proxy Voting – Separate Account Clients

Unless Hamlin directs otherwise in writing, the client shall be responsible for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to assets that are not fixed-income securities. Hamlin is authorized to instruct the custodian to forward to client copies of all proxies and shareholder communications relating to the assets.

Hamlin is authorized by the client to vote the proxies of fixed-income securities, give general or specific proxies or powers-of-attorney with or without power of substitution, and generally to exercise any of the powers of an owner with respect to fixed-income securities held in the clients' accounts. Hamlin accepts the clients will direct or cause the custodian to deliver proxies related to fixed-income securities to Hamlin in a timely manner. These authorizations will be continuing ones and will remain in full force and effect until Hamlin has received written notice of revocation or termination.

Proxy Voting –Funds

Hamlin votes proxies on behalf of the Funds it manages in the interest of maximizing shareholder value. To that end, Hamlin takes great care to vote proxies in a way that it believes, consistent with its fiduciary duty, will cause the Funds' securities to increase the most or decline the least in value. Consideration is given to both the short and long term implications of the proposal to be voted on when considering the optimal vote. One of Hamlin's Research Analysts is responsible for identifying the proxies upon which Hamlin will vote, voting the proxies in the best interest of clients, and submitting the proxies promptly and properly.

Proxy Voting – Availability of Policies and Procedures and Proxy Voting Record

Our complete proxy voting policy and procedures have been memorialized in writing and are available for your review. In addition, Hamlin maintains a record of all of the proxy votes cast on behalf of its clients and such records may be reviewed at Hamlin's office upon request. Please contact Hamlin's Chief Compliance Officer at (212) 752-8777 if you would like to review Hamlin's proxy voting policies and procedures and/or proxy voting record.

Hamlin may encounter potential conflicts of interest in the course of voting a particular proxy. Determinations as to whether a conflict of interest is material will be made after internal discussion among members of a committee that will include at a minimum, Hamlin's President and CCO. Materiality determinations are fact based, and will depend on the details of a particular situation.

In the event Hamlin does not exercise proxy-voting authority over a client's account or certain client securities, then the obligation to vote client proxies shall at all times rest with client. Client shall no way be precluded from contacting Hamlin for advice or information about a particular proxy vote. However, Hamlin shall not be deemed to have proxy-voting authority solely as a result of providing such advice to client.

Class Actions

Hamlin will not take any formal action or render any formal advice with respect to any securities in separate client accounts which are named in or subject to class action lawsuits. Hamlin will, however, forward to client any information received or maintained by Hamlin regarding class action legal matters involving any security held in the account.

Financial Information

Hamlin has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.