

All Cap Select Composite

As of September 30, 2020



OBJECTIVE

Long-term capital appreciation by investing in companies selling for less than our estimate of intrinsic value.

INVESTMENT STRATEGY

- To estimate intrinsic value, the business must be understandable, and we must be able to reasonably forecast its cash flows. We seek businesses with sustainable competitive advantages, conservative balance sheets, and management with an ownership mentality.
- Investments are sold when the stock price reaches our estimate of intrinsic value, our estimate of intrinsic value is revised such that there is no longer a discount to intrinsic value, a holding reaches our stated maximum position size, or to raise proceeds for a more attractive opportunity.
- More concentrated and broader market capitalization strategy.

TEAM

Austin Hawley, CFA
Portfolio Manager

Rick Snowdon, CFA
Portfolio Manager

PORTFOLIO GUIDELINES

- Typically 30–40 positions
- Maximum position size is 7%
- Top 10 holdings are typically greater than 35% of net assets
- Maximum industry exposure is 20%
- Maximum sector exposure is 35%

Market Capitalization

The portfolio typically invests in companies with a market capitalization greater than \$500 million.

TOP TEN EQUITY HOLDINGS

Mr. Cooper Group, Inc.	Financials	6.5%
WESCO International, Inc.	Industrials	6.4
Hanesbrands, Inc.	Cons. Discretionary	6.1
Berkshire Hathaway, Inc. (Cl B)	Financials	6.1
American International Group, Inc.	Financials	5.5
KKR & Co., Inc. (Cl A)	Financials	4.3
Cal-Maine Foods, Inc.	Consumer Staples	4.3
Red Rock Resorts, Inc. (Cl A)	Cons. Discretionary	3.6
Kirby Corp.	Industrials	3.4
Seaboard Corp.	Consumer Staples	3.4
Total as % of Net Assets		49.5%
Total number of equity holdings		32

This is presented as supplemental information.

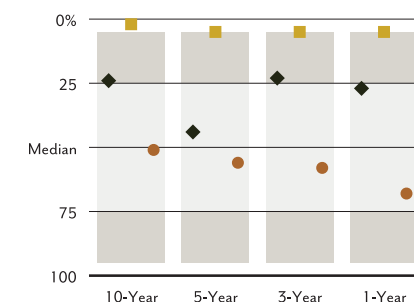
SECTOR ALLOCATION

	ALL CAP SELECT COMPOSITE	RUSSELL 3000 INDEX	RUSSELL 3000 VALUE INDEX
Financials	31.0%	9.9%	18.6%
Industrials	19.5	9.0	13.3
Cons. Discretionary	17.0	12.3	7.9
Consumer Staples	13.0	6.3	8.1
Info. Technology	6.3	27.2	9.5
Materials	4.6	2.8	4.8
Utilities	2.1	2.8	5.9
Health Care	1.9	14.6	13.9
Communication Services	1.2	9.8	9.2
Real Estate	0.0	3.3	4.9
Energy	0.0	1.9	4.0
Cash & Other ¹	3.6	0.0	0.0

This is presented as supplemental information.

¹ Cash & Other may include cash, treasuries, money market funds, and short duration fixed income funds.

PEER GROUP QUARTILE RANKINGS²



Diamond Hill Percentile: 24th 44th 23rd 27th

- ◆ Diamond Hill All Cap Select Composite
- Russell 3000 Index
- Russell 3000 Value Index

² This is presented as supplemental information. Source: eVestment. Ranking within eVestment U.S. All Cap Value Equity universe based on monthly returns gross of fees. Ranking data calculated on 10/15/20 (as of 9/30/20) and is subject to change as additional firms within the category submit data.

PERIOD AND ANNUALIZED TOTAL RETURNS (%)

Inception Date: June 30, 2000

	SINCE INCEPTION	10-YR	5-YR	3-YR	1-YR	YTD	3Q20
ALL CAP SELECT COMPOSITE							
Gross of Fees	10.03	11.41	8.10	5.50	1.90	-7.40	12.25
Net of Fees	9.30	10.76	7.46	4.84	1.20	-7.90	12.06
BENCHMARKS							
Russell 3000 Index	6.53	13.48	13.69	11.65	15.00	5.41	9.21
Russell 3000 Value Index	6.61	9.75	7.43	2.11	-5.67	-12.23	5.42

Please review GIPS® performance disclosure on the reverse side.

Side One. Not Valid Without Side Two.

PORTFOLIO CHARACTERISTICS VS. BENCHMARK³

	ALL CAP SELECT COMPOSITE	RUSSELL 3000 INDEX	RUSSELL 3000 VALUE INDEX
Median Forward P/E	18.8x	19.7x	17.2x
Median Trailing P/E	23.8x	21.2x	18.1x
Weighted Average Dividend Yield	1.7%	1.7%	2.7%
Median Price / Book	1.8x	2.2x	1.5x
Median Price / Sales	1.3x	2.0x	1.6x
Median Market Cap.	\$7.7B	\$1.5B	\$1.4B
Weighted Average Market Cap.	\$45.7B	\$379.3B	\$106.4B
Portfolio Turnover (5-Year)	73%	—	—
Active Share ⁴ vs. Core ⁵ / Value ⁶ Benchmark	96% / 93%	—	—
Upside / Downside Capture Ratio ⁷ vs. Core Benchmark ⁵	111% / 96%	—	—
Upside / Downside Capture Ratio ⁷ vs. Value Benchmark ⁶	112% / 96%	—	—

³ This is presented as supplemental information. Source: FactSet.

⁴ Source: FactSet. Active share measures the difference between portfolio holdings and the benchmark. The higher the active share, the greater the difference.

⁵ The Russell 3000 Index is the core benchmark.

⁶ The Russell 3000 Value Index is the value benchmark.

⁷ Source: eVestment based on monthly returns (gross of fees) from 7/1/00 – 9/30/20.

CALENDAR YEAR RETURNS (%)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
ALL CAP SELECT COMPOSITE										
Gross of Fees	11.51	-0.58	12.70	45.86	12.59	-0.47	10.83	21.26	-11.19	31.92
Net of Fees	10.74	-1.21	12.00	45.11	12.05	-1.02	10.22	20.60	-11.74	31.14
BENCHMARKS										
Russell 3000 Index	16.93	1.03	16.42	33.55	12.56	0.48	12.74	21.13	-5.24	31.02
Russell 3000 Value Index	16.23	-0.10	17.55	32.69	12.70	-4.13	18.40	13.19	-8.58	26.26

Diamond Hill Capital Management Inc. (DHCM) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS Standards. DHCM has been independently verified for the period 5/31/00 - 6/30/20. DHCM's current verification firm is ACA Compliance Group. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. In addition the All Cap Select Composite has received a Performance Examination from 6/30/00 - 6/30/20. The verification and performance exam reports are available upon request. DHCM is a registered investment adviser and wholly owned subsidiary of Diamond Hill Investment Group, Inc.; registration does not imply a certain level of skill or training. DHCM provides investment management services to individuals and institutional investors through mutual funds and separate accounts. A complete list and description of all composites and policies for valuing portfolios, calculating and reporting returns, and preparing compliant presentations are available upon request. The All Cap Select Composite is comprised of discretionary fee paying non-wrap accounts managed according to the firm's All Cap Select equity strategy. The strategy's investment objective is to achieve long-term capital appreciation by investing in companies selling for less than our estimate of intrinsic value. The strategy typically invests in securities with a market capitalization of \$500 million or greater. The strategy's Adviser anticipates that each of the strategy's investments will also be held in one of the other Diamond Hill strategies. The composite results reflect the reinvestment of dividends, capital gains, and other earnings when appropriate. Composite returns and benchmark returns are presented gross of withholding taxes on dividends, interest income and capital gains. Returns are calculated using U.S. Dollars. Net returns are calculated by reducing the gross returns by either the actual client fee paid or the highest stated fee in the composite fee schedule, depending on the type of client and account, and are reduced by estimated accrued performance based fees where applicable. Only transaction costs are deducted from gross of fees returns. The Russell 3000 Index is the primary benchmark. This index is an unmanaged market capitalization-weighted index measuring the performance of the 3,000 largest U.S. companies based on total market capitalization. The Russell 3000 Value Index is shown as additional information. This index is an unmanaged market capitalization-weighted index measuring the performance of the broad value segment of the U.S. equity universe including those Russell 3000 Index companies with lower expected growth values. Our selection process may lead to portfolios that differ markedly from the benchmarks presented. Returns may be more volatile than, and/or may not be correlated to these indices, which are for comparative purposes only. The Firm's standard fee schedule for All Cap Select separate accounts is as follows: First \$20,000,000 = 0.80%; Over \$20,000,000 = 0.70%. The dispersion measure is the asset weighted standard deviation of the annual portfolio returns. Only portfolios represented in the composite for the entire year are included in the calculation. The calculation is not performed if the composite contains 5 or fewer accounts for the full year. No alteration of composites as presented here has occurred because of changes in personnel at any time. **Past performance is not a guarantee of future results.** GIPS is a trademark of CFA Institute. CFA Institute has not been involved in the preparation or review of this report/advertisement. Index data source: London Stock Exchange Group PLC. See diamond-hill.com/disclosures for a full copy of the disclaimer.

AS OF YEAR-END	DHCM	ALL CAP SELECT COMPOSITE			3-YR ANNUALIZED STANDARD DEVIATION (GROSS OF FEES)		
		Assets Under Management	Number of Accounts	Assets Under Management (Gross of Fees)	All Cap Select Composite	Russell 3000 Index	Russell 3000 Value Index
2019	\$23.4B	14	\$423.0M	0.30%	15.30%	12.21%	12.01%
2018	19.1B	13	310.7M	0.10	13.45	11.18	11.05
2017	22.3B	12	332.3M	0.16	11.85	10.09	10.33
2016	19.4B	13	324.6M	0.28	12.03	10.88	10.97
2015	16.8B	13	466.5M	0.16	11.66	10.58	10.74
2014	15.7B	13	374.9M	0.07	10.55	9.29	9.36
2013	12.2B	14	277.8M	0.24	13.39	12.53	12.90
2012	9.4B	18	227.2M	0.16	14.48	15.73	15.81
2011	8.7B	26	284.9M	0.42	18.81	19.35	21.04
2010	8.6B	28	189.0M	0.48	NA ⁹	NA ⁹	NA ⁹

⁹ Statistics are not presented because the 3-year annualized standard deviations are not required prior to 2011. This composite was created in October 2013.

Side Two. Not Valid Without Side One.

BEST & WORST PERFORMERS⁸

SECURITY NAME	3Q20 CONTRIBUTION	POSITION AS OF 3Q20
Best		
Mr. Cooper Group, Inc.	3.9%	6.5%
Hanesbrands, Inc.	2.0	6.1
WESCO International, Inc.	1.5	6.4
Red Rock Resorts, Inc. (CI A)	1.4	3.6
Berkshire Hathaway, Inc. (CI B)	1.1	6.1
Worst		
Kirby Corp.	-1.2%	3.4%
American International Group, Inc.	-0.6	5.5
Cal-Maine Foods, Inc.	-0.6	4.3
Citigroup, Inc.	-0.4	1.9
Copa Holdings S.A. (CI A)	-0.2	0.0

⁸ This is presented as supplemental information. Source: FactSet. It should not be assumed that an investment in the securities identified was or will be profitable. The holdings identified do not represent all of the securities purchased, sold, or recommended for the adviser's clients. To obtain the contribution calculation methodology and a complete list of every holding's contribution to the overall portfolio's performance during the measurement period, contact 855.255.8955 or info@diamond-hill.com.