

Core Bond Composite

As of September 30, 2020



OBJECTIVE

Maximize total return consistent with the preservation of capital.

INVESTMENT STRATEGY

- Identify opportunities through a bottom-up approach to active investment management and disciplined risk control.
- Perform risk/reward analysis to evaluate credit risk, interest rate risk, prepayment risk, and security structure.
- Invest in securities we believe offer attractive prospects for income and/or capital appreciation relative to the risk borne.

TEAM

Henry Song, CFA
Portfolio Manager

Mark Jackson, CFA
Portfolio Manager

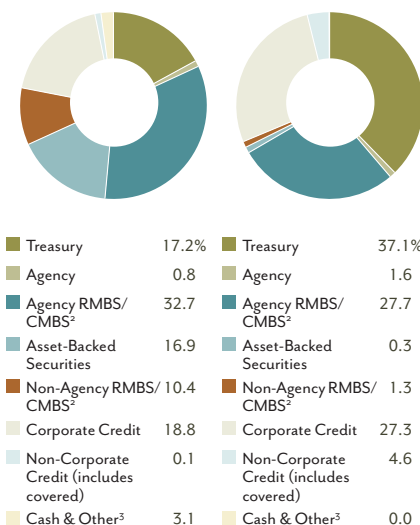
Douglas Gimple
Senior Portfolio Specialist

PORTFOLIO GUIDELINES

The portfolio generally invests at least 80% of its assets in a diversified portfolio of investment grade, fixed income securities and may invest a significant portion or all of its assets in mortgage-related and mortgage-backed securities. The portfolio will typically maintain an average portfolio duration within 20% of the duration of the Bloomberg Barclays U.S. Aggregate Bond Index.

SECTOR ALLOCATION

Core Bond Composite vs. Bloomberg Barclays U.S. Aggregate Index



This is presented as supplemental information.

CREDIT QUALITY¹

| QUALITY RATING | % OF PORTFOLIO |
|----------------|----------------|
| AAA | 59.9% |
| AA | 8.3 |
| A | 14.8 |
| BBB | 15.9 |
| BB | 0.4 |
| B | 0.0 |
| CCC & Lower | 0.0 |
| Not Rated | 0.6 |

¹ This is presented as supplemental information. Security quality ratings are derived from underlying portfolio securities by using the middle rating of Standard & Poor's, Moody's, and Fitch. If only two of Standard & Poor's, Moody's, and Fitch rates a security the higher of the two is selected. If only one of Standard & Poor's, Moody's, and Fitch rates a security the available rating is used. For securities that are not rated by Standard & Poor's, Moody's, or Fitch a rating from a secondary Nationally Recognized Statistical Rating Organization ("NRSRO") may be used. Ratings by any agency represent an opinion only, not a recommendation to buy or sell. Securities that are not rated by any agencies are reflected as Not Rated "NR".

DURATION BREAKDOWN

| | CORE BOND COMPOSITE | BLOOMBERG BARCLAYS U.S. AGGREGATE INDEX |
|---------------|---------------------|---|
| Less than one | 18.9% | 9.8% |
| 1-3 | 20.4 | 36.5 |
| 3-5 | 18.1 | 16.7 |
| 5-7 | 11.2 | 10.9 |
| 7-10 | 12.6 | 7.4 |
| 10-20 | 13.8 | 14.0 |
| 20+ | 5.0 | 4.8 |

This is presented as supplemental information.

PERIOD AND ANNUALIZED TOTAL RETURNS (%)

Inception Date: July 31, 2016

| | SINCE INCEPTION | 3-YR | 1-YR | YTD | 3Q20 |
|---|-----------------|------|------|------|------|
| CORE BOND COMPOSITE | | | | | |
| Gross of Fees | 4.88 | 6.31 | 7.63 | 7.82 | 1.37 |
| Net of Fees | 4.60 | 6.04 | 7.43 | 7.67 | 1.32 |
| BENCHMARK | | | | | |
| Bloomberg Barclays U.S. Aggregate Index | 3.72 | 5.24 | 6.98 | 6.79 | 0.62 |

² Residential Mortgage-Backed Securities/Commercial Mortgage-Backed Securities.

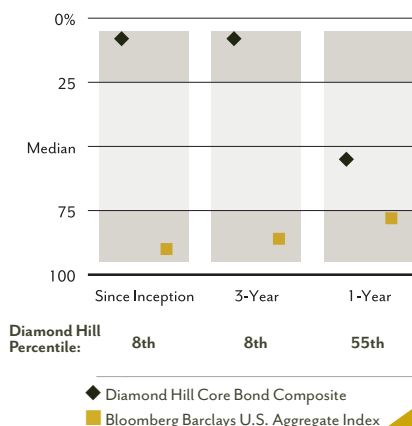
³ Cash & Other may include cash, money market funds, and short duration fixed income funds.

⁴ This is presented as supplemental information. Source: eVestment. Ranking within eVestment U.S. Core Fixed Income universe based on monthly returns gross of fees. Ranking data calculated on 10/18/20 (as of 9/30/20) and is subject to change as additional firms within the category submit data.

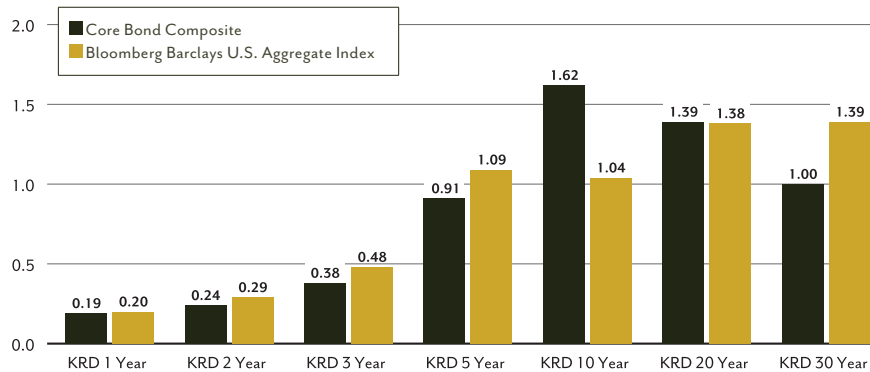
Please review GIPS® performance disclosure on the reverse side.

Side One. Not Valid Without Side Two.

PEER GROUP QUARTILE RANKINGS⁴



KEY RATE DURATION



CALENDAR YEAR RETURNS (%)

| | July 31, 2016 - December 31, 2016 | 2017 | 2018 | 2019 |
|---|--------------------------------------|------|------|------|
| CORE BOND COMPOSITE | | | | |
| Gross of Fees | -2.45 | 4.64 | 2.06 | 8.56 |
| Net of Fees | -2.56 | 4.33 | 1.76 | 8.28 |
| BENCHMARK | | | | |
| Bloomberg Barclays U.S. Aggregate Index | -3.14 | 3.54 | 0.01 | 8.72 |

PORTFOLIO CHARACTERISTICS

| | CORE BOND COMPOSITE | BLOOMBERG BARCLAYS U.S. AGGREGATE INDEX |
|----------------------------------|------------------------|---|
| Number of holdings | 1,362 | 11,912 |
| Yield to Maturity (%) | 1.88 | 1.19 |
| Yield to Worst (%) | 1.38 | 1.18 |
| Effective Duration | 5.78 | 6.12 |
| Weighted Average Life (years) | 7.72 | 8.18 |
| Convexity | 0.59 | 0.43 |
| Option-Adjusted Spread | 137 | 60 |

This is presented as supplemental information.

SINCE INCEPTION RISK STATISTICS

| | CORE BOND COMPOSITE | BLOOMBERG BARCLAYS U.S. AGGREGATE INDEX |
|--------------------------------|------------------------|---|
| Standard Deviation (%) | 3.54 | 3.29 |
| Sharpe Ratio | 1.00 | 0.72 |
| Beta (%) ⁵ | 1.02 | — |
| R-squared (%) ⁵ | 89.16 | — |
| Information Ratio ⁵ | 0.99 | — |

This is presented as supplemental information.

⁵ Relative to the Bloomberg Barclays U.S. Aggregate Index.

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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: Bloomberg Index Services Limited. See diamond-hill.com/disclosures for a full copy of the disclaimer.

Analytics provided by The Yield Book® Software.

| AS OF YEAR-END | DHCM | CORE BOND COMPOSITE | | | 3-YR ANNUALIZED STANDARD DEVIATION (GROSS OF FEES) | |
|-------------------|----------------------------|-----------------------|----------------------------|-------------------------------|---|--|
| | Assets Under Management | Number of Accounts | Assets Under Management | Dispersion (Gross of Fees) | Core Bond Composite | Bloomberg Barclays U.S. Aggregate Index |
| 2019 | \$23.4B | 5 or fewer | \$300.2M | NA ⁶ | 2.78% | 2.87% |
| 2018 | 19.1B | 5 or fewer | 55.3M | NA ⁶ | NA ⁷ | NA ⁷ |
| 2017 | 22.3B | 5 or fewer | 43.8M | NA ⁶ | NA ⁷ | NA ⁷ |
| 2016 | 19.4B | 5 or fewer | 39.7M | NA ⁶ | NA ⁷ | NA ⁷ |

⁶ NA = Not Applicable

⁷ Statistics are not presented because 36 monthly returns are not available.

This composite was created in July 2016.

Side Two. Not Valid Without Side One.