

# International Composite

As of March 31, 2021



**DIAMOND HILL** CAPITAL MANAGEMENT

## 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.

## TEAM

Grady Burkett, CFA  
Portfolio Manager

Krishna Mohanraj, CFA  
Portfolio Manager

## PORTFOLIO GUIDELINES

- Typically 35-55 positions
- Maximum sector exposure is 35%
- Maximum single country exposure is 30%
- Maximum emerging market exposure is 30%

### Market Capitalization

The portfolio typically invests in securities with a market cap of \$1 billion or greater.

## TOP TEN EQUITY HOLDINGS

Company	Industry	Weight (%)
Diageo PLC	Consumer Staples	4.1%
Walt Disney Co.	Communication Services	3.9
Unilever PLC	Consumer Staples	3.9
Anheuser-Busch InBev S.A./N.V.	Consumer Staples	3.1
BT Group PLC	Communication Services	2.9
Alphabet, Inc. (CI A)	Communication Services	2.8
Julius Baer Gruppe AG	Financials	2.8
Howden Joinery Group PLC	Industrials	2.7
Check Point Software Technologies Ltd.	Info. Technology	2.7
Rogers Communications, Inc. (CI B)	Communication Services	2.6
<b>Total as % of Net Assets</b>		<b>31.7%</b>
<b>Total number of equity holdings</b>		<b>51</b>

This is presented as supplemental information.

## PERIOD AND ANNUALIZED TOTAL RETURNS (%)

Inception Date: December 31, 2016

	SINCE INCEPTION	3-YR	1-YR	YTD	1Q21
INTERNATIONAL COMPOSITE					
Gross of Fees	13.67	8.77	56.22	7.22	7.22
Net of Fees	13.37	8.37	55.24	7.05	7.05
BENCHMARK					
Morningstar Global Markets ex-U.S. Index	10.53	6.68	51.53	3.58	3.58

## TOP FIVE COUNTRIES

	INTERNATIONAL COMPOSITE	MORNINGSTAR GLOBAL MARKETS EX-U.S. INDEX
United Kingdom	25.4%	9.2%
Switzerland	11.0	5.5
United States	10.3	0.6
France	7.5	5.8
Canada	6.7	6.5

This is presented as supplemental information.

## REGIONAL EXPOSURE

	INTERNATIONAL COMPOSITE	MORNINGSTAR GLOBAL MARKETS EX-U.S. INDEX
Europe	56.0%	39.5%
Asia & Pacific	19.4	48.6
North America	17.0	7.0
Latin America	3.1	2.1
Middle East & Africa	2.7	2.8

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## DEVELOPED VS. EMERGING EXPOSURE

	INTERNATIONAL COMPOSITE	MORNINGSTAR GLOBAL MARKETS EX-U.S. INDEX
Developed Markets	81.9%	74.4%
Emerging Markets	16.3	25.6

This is presented as supplemental information.

## SECTOR ALLOCATION<sup>1</sup>

	INTERNATIONAL COMPOSITE	MORNINGSTAR GLOBAL MARKETS EX-U.S. INDEX
Communication Services	20.6%	6.6%
Financials	16.5	18.0
Cons. Discretionary	15.3	13.6
Consumer Staples	13.9	8.1
Health Care	10.2	8.7
Info. Technology	9.8	11.9
Industrials	9.8	13.4
Real Estate	1.1	3.7
Materials	1.0	8.6
Energy	0.0	4.1
Utilities	0.0	3.2
Cash & Other	1.8	0.0

This is presented as supplemental information.

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

Please review GIPS® performance disclosure on the reverse side.

Side One. Not Valid Without Side Two.

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PORTFOLIO CHARACTERISTICS VS BENCHMARK<sup>2</sup>

	INTERNATIONAL COMPOSITE	MORNINGSTAR GLOBAL MARKETS EX-U.S. INDEX
Median Forward P/E	21.6x	18.5x
Median Trailing P/E	24.1x	21.9x
Weighted Average Dividend Yield	1.5%	2.2%
Median Price / Book	3.4x	1.9x
Median Price / Sales	3.8x	1.7x
Median Market Capitalization	\$32.0B	\$2.7B
Weighted Average Market Cap.	\$173.8B	\$85.4B
Portfolio Turnover (1-Year)	42%	—
Active Share <sup>3</sup> vs. Benchmark <sup>4</sup>	92%	—
Upside / Downside Capture Ratio <sup>5</sup> vs. Benchmark <sup>4</sup>	114%/100%	—

<sup>2</sup> This is presented as supplemental information. Source: FactSet.

<sup>3</sup> Source: FactSet. Active share measures the difference between portfolio holdings and the benchmark. The higher the active share, the greater the difference.

<sup>4</sup> The Morningstar Global Markets ex-U.S. Index is the benchmark.

<sup>5</sup> Source: eVestment based on monthly returns (gross of fees) from 1/1/17 – 3/31/21.

## CALENDAR YEAR RETURNS (%)

	2017	2018	2019	2020
INTERNATIONAL COMPOSITE				
Gross of Fees	32.22	-9.62	24.95	7.64
Net of Fees	32.22	-9.62	24.55	6.94
BENCHMARK				
Morningstar Global Markets ex-U.S. Index	27.37	-14.17	21.57	11.17

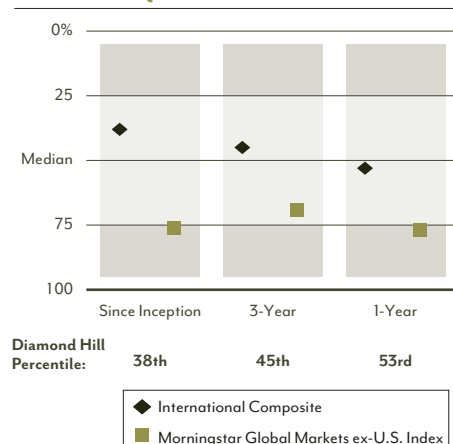
<sup>6</sup> Source: FactSet. It should not be assumed that an investment in the securities identified was or will be profitable. The holdings identified do not represent all of the securities purchased, sold, or recommended for the adviser's clients. To obtain the contribution calculation methodology 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.

<sup>7</sup> Source: eVestment. Ranking within ACWI Ex-U.S. All Cap Core equity universe based on monthly returns gross of fees. Ranking data calculated on 4/19/21 (as of 3/31/21) and is subject to change as additional firms within the category submit data.

BEST & WORST PERFORMERS<sup>6</sup>

SECURITY NAME	1Q21 CONTRIBUTION	POSITION AS OF 1Q21
<b>Best</b>		
BlackBerry Ltd.	3.6%	1.5%
Kasikornbank Public Co. Ltd.	0.5	2.5
Fairfax Financial Holdings Ltd.	0.5	2.0
Alphabet, Inc. (CI A)	0.5	2.8
BT Group PLC	0.5	2.9
<b>Worst</b>		
Check Point Software Technologies Ltd.	-0.5%	2.7%
Anheuser-Busch InBev S.A./N.V.	-0.4	3.1
Tesco PLC	-0.3	0.9
Unilever PLC	-0.3	3.9
Fuchs Petrolub SE	-0.1	1.0

This is presented as supplemental information.

PEER GROUP QUARTILE RANKINGS<sup>7</sup>

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AS OF YEAR-END	INTERNATIONAL COMPOSITE				3-YR ANNUALIZED STANDARD DEVIATION (GROSS OF FEES)	
	DHCM					
	Assets Under Management	Number of Accounts	Assets Under Management	Dispersion (Gross of Fees)	International Composite	Morningstar Global Markets ex-U.S. Index
2020	\$26.4B	5 or fewer	\$16.9M	NA <sup>8</sup>	19.50%	18.11%
2019	23.4B	5 or fewer	13.5M	NA <sup>8</sup>	12.07	11.15
2018	19.1B	5 or fewer	3.5M	NA <sup>8</sup>	NA <sup>9</sup>	NA <sup>9</sup>
2017	22.3B	5 or fewer	4.0M	NA <sup>8</sup>	NA <sup>9</sup>	NA <sup>9</sup>

<sup>8</sup> NA = Not Applicable

<sup>9</sup> Statistics are not presented because 36 monthly returns are not available.

This composite was created in July 2019.

Side Two. Not Valid Without Side One.