

Core Bond Composite

As of September 30, 2021



DIAMOND HILL CAPITAL MANAGEMENT

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 U.S. Aggregate Index.

SECTOR ALLOCATION²

	CORE BOND COMPOSITE	BLOOMBERG U.S. AGGREGATE INDEX
Agency RMBS/CMBS	26.8%	28.3%
Asset-Backed Securities	19.3	0.3
Treasury	19.1	38.5
Corporate Credit	18.2	26.1
Non-Agency RMBS/CMBS	16.1	1.1
Agency	0.3	1.4
Non-Corporate Credit (includes covered) ³	0.0	4.3
Cash & Other	0.1	0.0

This is presented as supplemental information.

PERIOD AND ANNUALIZED TOTAL RETURNS (%)

Inception Date: July 31, 2016

	SINCE INCEPTION	5-YR	3-YR	1-YR	YTD	3Q21
CORE BOND COMPOSITE						
Gross of Fees	3.88	3.95	6.13	-0.15	-0.63	0.15
Net of Fees	3.61	3.66	5.88	-0.39	-0.81	0.09
BENCHMARK						
Bloomberg U.S. Aggregate Index	2.81	2.94	5.36	-0.90	-1.55	0.05

² Cash & Other may include cash and money market funds. RMBS: Residential Mortgage-Backed Securities, CMBS: Commercial Mortgage-Backed Securities.

³ Portfolio weight is 0.03%.

⁴ Source: eVestment. Ranking within eVestment U.S. Core Fixed Income universe based on monthly returns gross of fees. Ranking data calculated on 10/19/21 (as of 9/30/21) and is subject to change as additional firms within the category submit data.

CREDIT QUALITY¹

QUALITY RATING	% OF PORTFOLIO
AAA	50.9%
AA	7.3
A	17.6
BBB	20.2
BB	0.1
B	0.0
CCC & Below	0.0
Not Rated	4.0

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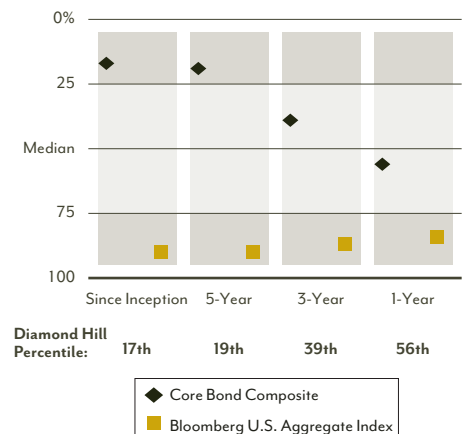
¹ Security quality ratings are derived from underlying portfolio securities by using the middle rating of Standard & Poor's, Moody's, and Fitch. If only two of Standard & Poor's, Moody's, and Fitch rates a security the higher of the two is selected. If only one of Standard & Poor's, Moody's, and Fitch 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 U.S. AGGREGATE INDEX
Less than one	17.1%	0.3%
1-3	21.8	35.0
3-5	19.0	24.6
5-7	12.4	13.7
7-10	12.5	7.7
10-20	14.0	15.5
20+	3.3	3.0

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PEER GROUP QUARTILE RANKINGS⁴



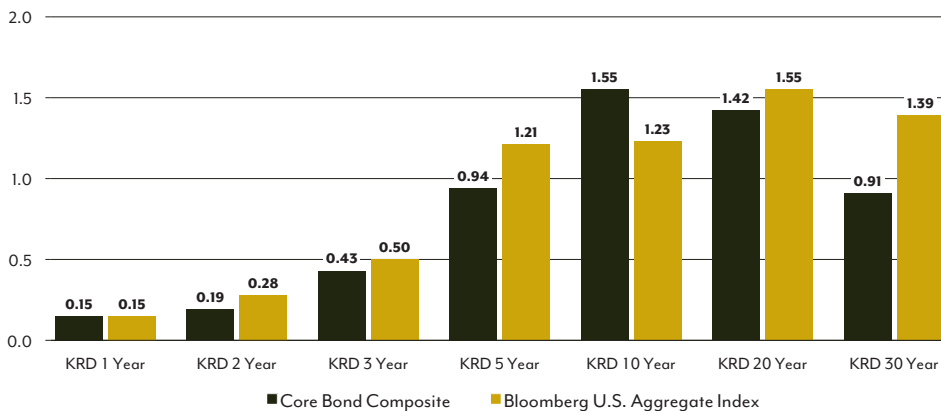
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Please review GIPS® performance disclosure on the reverse side.

Side One. Not Valid Without Side Two.

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KEY RATE DURATION



CALENDAR YEAR RETURNS (%)

	7/31/16 - 12/31/16	2017	2018	2019	2020
CORE BOND COMPOSITE					
Gross of Fees	-2.45	4.64	2.06	8.56	8.34
Net of Fees	-2.56	4.33	1.76	8.28	8.13
BENCHMARK					
Bloomberg U.S. Aggregate Index	-3.14	3.54	0.01	8.72	7.51

PORTFOLIO CHARACTERISTICS

	CORE BOND COMPOSITE	BLOOMBERG U.S. AGGREGATE INDEX
Number of holdings	1,218	12,226
Yield to Maturity (%)	2.06	1.56
Yield to Worst (%)	1.64	1.56
Effective Duration	5.74	6.71
Weighted Average Life (years)	7.56	8.63
Convexity	-0.05	0.33
Option-Adjusted Spread	94	33

This is presented as supplemental information.

FIVE-YEAR RISK STATISTICS

	CORE BOND COMPOSITE	BLOOMBERG U.S. AGGREGATE INDEX
Standard Deviation (%)	3.51	3.31
Sharpe Ratio	0.80	0.55
Beta (%) ⁵	1.01	N/A
R-squared (%) ⁵	90.69	N/A
Information Ratio ⁵	0.92	N/A

This is presented as supplemental information.

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

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 – 6/30/21. The verification report(s) is/are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. 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 institutions through mutual funds and separate accounts. A complete list and description of all composites and policies for valuing investments, calculating performance and preparing GIPS reports are available upon request. In addition, a list of broadly distributed pooled funds is available upon request. The Core Bond Composite is comprised of discretionary non-fee and fee paying non-wrap accounts with a market value over \$50M managed according to the firm's Core Bond fixed income strategy. The strategy's investment objective is to maximize total return consistent with the preservation of capital by investing in a diversified portfolio of intermediate and long-term fixed income securities. The strategy generally invests in a diversified portfolio of investment grade, fixed income securities, including bonds, debt securities and other similar U.S. dollar-denominated instruments issued by various U.S. public- or private-sector entities, by foreign corporations or U.S. affiliates of foreign corporations or by foreign governments or their agencies and instrumentalities. The strategy may invest a significant portion or all of its assets in asset-backed, mortgage-related and mortgage-backed securities at the discretion of Diamond Hill Capital Management, Inc. (the "Adviser"). 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 Bloomberg U.S. Aggregate Index is an unmanaged index representing the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through, and asset-backed securities. 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 Core Bond separate accounts is as follows: First \$50,000,000 = 0.29%; Next \$50,000,000 = 0.22%; Above \$100 million = 0.18%. 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 registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. 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	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 U.S. Aggregate Index
2020	\$26.4B	5 or fewer	\$541.3M	NA ⁶	3.71%	3.36%
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.