

# Mid Cap Composite

As of 31 Mar 2022

# DIAMOND HILL

INVESTED IN THE LONG RUN

## Team

**Chris Welch, CFA**  
Portfolio Manager

**Chris Bingaman, CFA**  
Asst. Portfolio Manager

**Kristen Sheffield, CFA, CIPM**  
Portfolio Specialist

## Philosophy and Process Highlights

Under our intrinsic value philosophy, we:

- Treat every investment as a partial ownership interest in that company
- Seek to invest at a discount to intrinsic value
- Possess a long-term investment temperament
- Recognize that market price and intrinsic value tend to converge over a reasonable period of time

## Portfolio Guidelines

- Typically 40–60 positions
- Maximum position size is 7%
- Top 10 holdings are typically greater than 25% of net assets
- Maximum industry exposure is 20%
- Maximum sector exposure is 30%

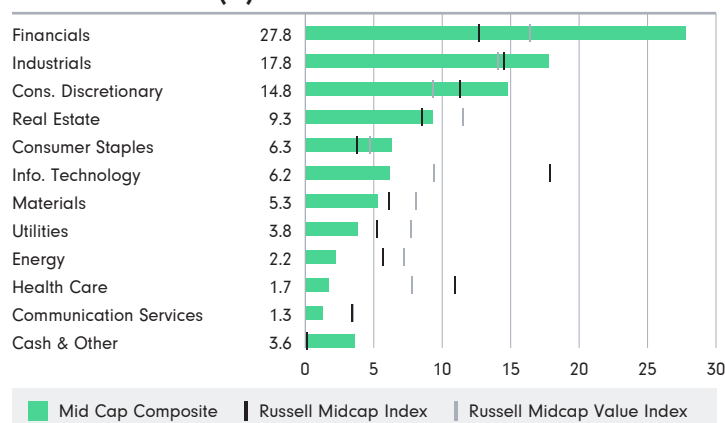
## Market Capitalization

The portfolio typically invests in companies with a market capitalization between \$1.5 billion and \$20 billion (or, if greater, the maximum market capitalization of companies generally within the capitalization range of the Russell Midcap Index) at the time of purchase.

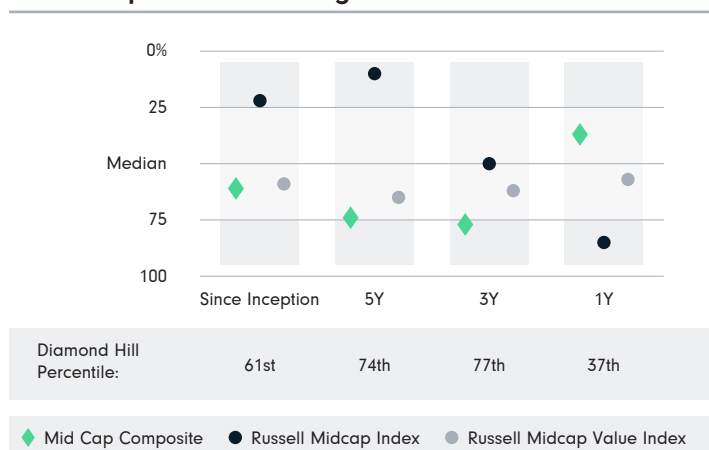
## Top Ten Equity Holdings

	Sector	% of Net Assets
Red Rock Resorts, Inc. (CI A)	Cons. Discretionary	4.3
Colfax Corp.	Industrials	4.1
WESCO International, Inc.	Industrials	3.7
CubeSmart	Real Estate	3.4
Check Point Software Technologies Ltd.	Info. Technology	3.3
SVB Financial Group	Financials	3.0
Freeport-McMoRan, Inc.	Materials	3.0
Webster Financial Corp.	Financials	2.9
American International Group, Inc.	Financials	2.8
First Republic Bank	Financials	2.5
Total as % of Net Assets		33.0
Total Holdings		56

## Sector Allocation (%)<sup>1</sup>



## Peer Group Quartile Rankings<sup>2</sup>



## Best and Worst Performers (%)<sup>3</sup>

	1Q22 Contribution	Ending Weight
<b>Best</b>		
Coterra Energy, Inc.	0.8	2.2
Archer-Daniels-Midland Co.	0.6	1.4
Check Point Software Technologies Ltd.	0.5	3.3
Allegheny Corp.	0.5	2.2
South Jersey Industries, Inc.	0.5	1.8
<b>Worst</b>		
NVR, Inc.	-0.7	2.3
First Republic Bank	-0.6	2.5
SVB Financial Group	-0.6	3.0
Colfax Corp.	-0.5	4.1
UGI Corp.	-0.5	2.0

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

<sup>2</sup> Source: eVestment. Ranking within eVestment US Mid Cap Value equity universe based on monthly returns gross of fees. Ranking data calculated on 18 Apr 2022 (as of 31 Mar 2022) and is subject to change as additional firms within the category submit data.

<sup>3</sup> Source: FactSet. Securities referenced may not be representative of all portfolio holdings. Contribution to return is not indicative of whether an investment was or will be profitable. To obtain contribution calculation methodology and a complete list of every holding's contribution to return during the period, contact 855.255.8955 or info@diamond-hill.com.

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As of 31 Mar 2022

## Portfolio Characteristics vs Benchmark<sup>4</sup>

	Mid Cap Composite	Russell Midcap Index	Russell Midcap Value Index
Median Forward P/E	15.5x	19.0x	17.3x
Median Trailing P/E	17.3x	22.0x	20.4x
Weighted Average Dividend Yield	1.2%	1.3%	1.6%
Median Price/Book	2.4x	3.4x	2.9x
Median Price/Sales	2.1x	3.0x	2.6x
Median Market Capitalization	\$7.8B	\$10.4B	\$10.3B
Weighted Average Market Cap.	\$17.2B	\$23.9B	\$22.6B
Portfolio Turnover (5-Year)	32%	—	—
Active Share <sup>5</sup> vs Core <sup>6</sup> /Value <sup>7</sup> Benchmark	95%/93%	—	—
Upside/Downside Capture Ratio <sup>8</sup> vs Core Benchmark <sup>6</sup>	94%/100%	—	—
Upside/Downside Capture Ratio <sup>8</sup> vs Value Benchmark <sup>7</sup>	100%/101%	—	—

<sup>4</sup>Source: FactSet.

<sup>5</sup>Source: FactSet. Active share measures the difference between portfolio holdings and the benchmark. The higher the active share, the greater the difference.

<sup>6</sup>The Russell Midcap Index is the core benchmark.

<sup>7</sup>The Russell Midcap Value Index is the value benchmark.

<sup>8</sup>Source: eVestment based on monthly returns (gross of fees) from 1 Jan 2014 – 31 Mar 2022.

## Period and Annualized Total Returns (%)

	Since Inception (31 Dec 2013)	5Y	3Y	1Y	YTD	1Q22
Gross of Fees	9.79	9.64	12.58	13.61	-2.29	-2.29
Net of Fees	9.18	9.08	12.06	13.10	-2.40	-2.40
Russell Midcap Index	11.16	12.62	14.89	6.92	-5.68	-5.68
Russell Midcap Value Index	9.97	9.99	13.69	11.45	-1.82	-1.82

## Calendar Year Returns (%)

	2014	2015	2016	2017	2018	2019	2020	2021
Gross of Fees	8.83	1.62	19.62	11.30	-9.55	26.73	-0.99	32.37
Net of Fees	8.13	0.95	18.86	10.65	-10.09	26.12	-1.47	31.79
Russell Midcap Index	13.22	-2.44	13.80	18.52	-9.06	30.54	17.10	22.58
Russell Midcap Value Index	14.75	-4.78	20.00	13.34	-12.29	27.06	4.96	28.34

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