

# Short Duration Investment Grade Composite

DIAMOND HILL

INVESTED IN THE LONG RUN

As of 31 Mar 2022

## Team

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Portfolio Manager

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## Philosophy and Process Highlights

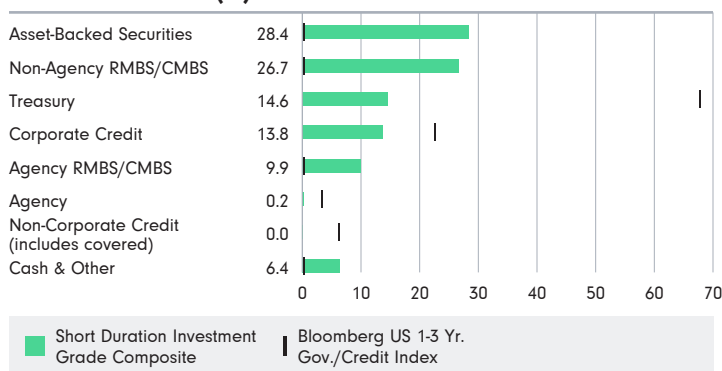
We believe successful, long-term fixed income investing starts with small, individual security decisions.

- We look for undervalued securities and spread sectors that offer incremental yield and total return relative to the index.
- With a focus on securitized products, we have the potential to achieve higher credit quality while maintaining a yield advantage over government or corporate credit-focused strategies.
- We regularly look outside the benchmark for value-add opportunities.

## Portfolio Guidelines

The portfolio generally invests in a diversified portfolio of investment grade, fixed income securities. A significant portion of the portfolio may invest in securitized bond investments and will typically maintain an average portfolio duration of less than three.

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



## Credit Quality Rating<sup>2</sup>

Credit Quality Rating	% of Portfolio
AAA	37.3
AA	6.7
A	19.4
BBB	28.9
BB	0.0
B	0.0
CCC & Below	0.0
Not Rated	7.8

## Duration Breakdown (%)

Duration	Short Duration Investment Grade Composite (%)	Bloomberg US 1-3 Yr. Gov./Credit Index (%)
Less than one	35.0	4.6
1-3	43.1	95.4
3-5	18.1	0.0
5-7	3.2	0.0
7-10	0.3	0.0
10-20	0.2	0.0
20+	0.0	0.0

## Key Rate Duration (%)

Key Rate	Short Duration Investment Grade Composite (%)	Bloomberg US 1-3 Yr. Gov./Credit Index (%)
1Y	0.17	0.37
2Y	0.48	0.93
3Y	0.55	0.57
5Y	0.43	0.00
10Y	0.17	0.00
20Y	0.03	0.00
30Y	-0.01	0.00

<sup>1</sup> Cash & Other may include cash and money market funds. RMBS: Residential Mortgage-Backed Securities, CMBS: Commercial Mortgage-Backed Securities.

<sup>2</sup> 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."

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## Portfolio Characteristics

	Short Duration Investment Grade Composite	Bloomberg US 1-3 Yr. Gov./Credit Index
Number of holdings	505	1,667
Yield to Maturity (%)	3.40	2.43
Yield to Worst (%)	3.15	2.42
Effective Duration	1.84	1.92
Weighted Average Life (years)	2.77	1.98
Convexity	0.01	0.04
Option-Adjusted Spread	122	15

## Period and Annualized Total Returns (%)

	Since Inception (30 Nov 2021)	YTD	1Q22
Gross of Fees	-2.53	-2.45	-2.45
Net of Fees	-2.56	-2.47	-2.47
Bloomberg US 1-3 Yr. Gov./Credit Index	-2.64	-2.49	-2.49

## Calendar Year Returns (%)

	30 Nov 2021 - 31 Dec 2021
Gross of Fees	-0.09
Net of Fees	-0.09
Bloomberg US 1-3 Yr. Gov./Credit Index	-0.15

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