

# Mid Cap Composite

As of 30 Jun 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%

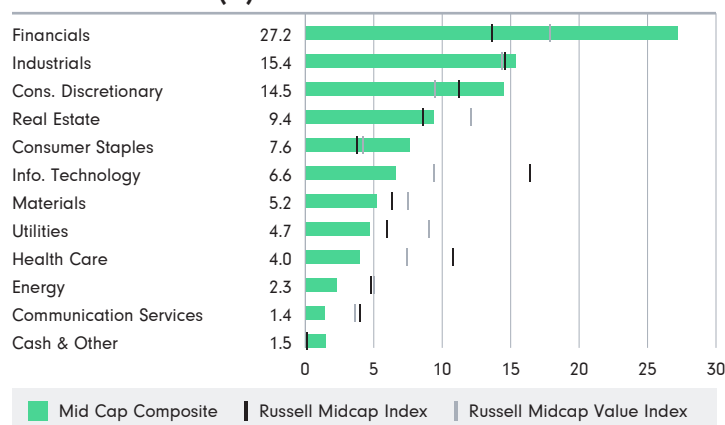
## Market Capitalization

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.

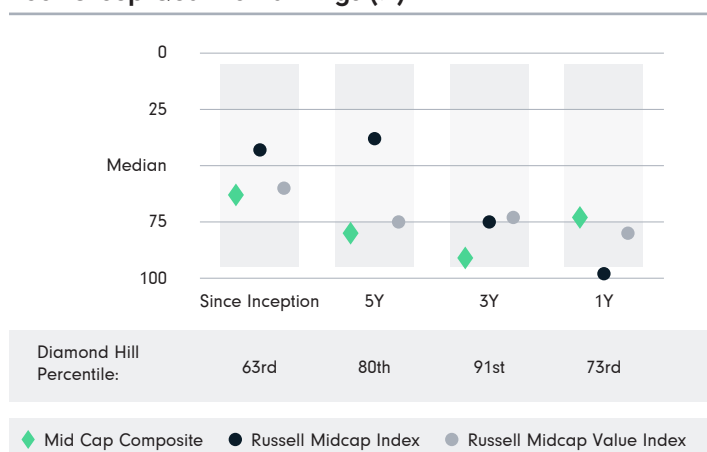
## Top Ten Equity Holdings<sup>1</sup>

	Sector	% of Net Assets
WESCO International, Inc.	Industrials	3.8
Red Rock Resorts, Inc. (CI A)	Cons. Discretionary	3.7
Check Point Software Technologies Ltd.	Info. Technology	3.4
Post Holdings, Inc.	Consumer Staples	3.4
CubeSmart	Real Estate	3.3
SVB Financial Group	Financials	3.2
Ashland Global Holdings, Inc.	Materials	2.8
American International Group, Inc.	Financials	2.7
Webster Financial Corp.	Financials	2.7
NVR, Inc.	Cons. Discretionary	2.7
Total as % of Net Assets		31.7
Total Holdings		56

## Sector Allocation (%)<sup>2</sup>



## Peer Group Quartile Rankings (%)<sup>3</sup>



## Best and Worst Performers (%)<sup>1,4</sup>

	2Q22 Contribution	Ending Weight
<b>Best</b>		
Post Holdings, Inc.	0.4	3.4
UGI Corp.	0.1	2.6
Ashland Global Holdings, Inc.	0.1	2.8
BellRing Brands, Inc.	0.1	1.3
Flowers Foods, Inc.	0.0	0.0
<b>Worst</b>		
Freeport-McMoRan, Inc.	-1.3	2.4
Red Rock Resorts, Inc. (CI A)	-1.3	3.7
SVB Financial Group	-1.0	3.2
WESCO International, Inc.	-0.8	3.8
Webster Financial Corp.	-0.7	2.7

<sup>1</sup>Securities referenced may not be representative of all portfolio holdings. The reader should not assume that an investment in the securities was or will be profitable.

<sup>2</sup>Cash & Other may include cash, treasuries, money market funds and short duration fixed income funds.

<sup>3</sup>Source: eVestment. Ranking within eVestment US Mid Cap Value equity universe based on monthly returns gross of fees. Ranking data calculated on 15 Jul 2022 (as of 30 Jun 2022) and is subject to change as additional firms within the category submit data.

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

# Mid Cap Composite

As of 30 Jun 2022

## Portfolio Characteristics vs Benchmark<sup>5</sup>

	Mid Cap Composite	Russell Midcap Index	Russell Midcap Value Index
Median Forward P/E	12.5x	16.2x	14.7x
Median Trailing P/E	13.4x	19.0x	17.1x
Weighted Average Dividend Yield	1.4%	1.6%	2.0%
Median Price/Book	1.8x	2.9x	2.4x
Median Price/Sales	1.7x	2.4x	2.2x
Median Market Capitalization	\$7.5B	\$8.9B	\$8.3B
Weighted Average Market Cap.	\$13.6B	\$19.4B	\$18.2B
Portfolio Turnover (5-Year)	33%	—	—
Active Share <sup>6</sup> vs Core <sup>7</sup> /Value <sup>8</sup> Benchmark	95%/94%	—	—
Upside/Downside Capture Ratio <sup>9</sup> vs Core Benchmark <sup>7</sup>	95%/100%	—	—
Upside/Downside Capture Ratio <sup>9</sup> vs Value Benchmark <sup>8</sup>	100%/101%	—	—

<sup>5</sup>Source: FactSet.

<sup>6</sup>Source: FactSet. Active share measures the difference between portfolio holdings and the benchmark. The higher the active share, the greater the difference.

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

<sup>8</sup>The Russell Midcap Value Index is the value benchmark.

<sup>9</sup>Source: eVestment based on monthly returns (gross of fees) from 1 Jan 2014 – 30 Jun 2022.

## Period and Annualized Total Returns (%)

	Since Inception (31 Dec 2013)	5Y	3Y	1Y	YTD	2Q22
Gross of Fees	7.38	5.80	5.17	-9.29	-17.17	-15.23
Net of Fees	6.79	5.27	4.69	-9.70	-17.36	-15.33
Russell Midcap Index	8.44	7.96	6.59	-17.30	-21.57	-16.85
Russell Midcap Value Index	7.64	6.27	6.70	-10.00	-16.23	-14.68

## 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

Diamond Hill Capital Management, Inc. (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. Diamond Hill provides investment management services to individuals and institutional investors through mutual funds and separate accounts. DHCM claims compliance with the Global Investment Performance Standards (GIPS®). The Mid Cap Composite is comprised of all discretionary, non-fee and fee-paying, non-wrap accounts managed according to the Mid Cap strategy, including those clients no longer with the firm. The strategy's investment objective is to achieve long-term capital appreciation by investing in companies within the market capitalization range of the strategy that are selling for less than our estimate of intrinsic value. The Mid Cap strategy 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. The Russell Midcap Index measures the performance of roughly 800 US mid-cap companies. The Russell Midcap Value Index measures the performance of US mid-cap companies with lower price/book ratios and forecasted growth values. The indexes are unmanaged, market capitalization weighted, include net reinvested dividends, do not reflect fees or expenses (which would lower the return) and are not available for direct investment. Index data source: London Stock Exchange Group PLC. See [diamond-hill.com/disclosures](http://diamond-hill.com/disclosures) for a full copy of the disclaimer. To receive a complete list and description of all Diamond Hill composites and/or a GIPS® report, contact Scott Stapleton at 614.255.3329, [ssapleton@diamond-hill.com](mailto:ssapleton@diamond-hill.com) or 325 John H. McConnell Blvd., Suite 200, Columbus, OH 43215. The performance data quoted represents past performance; past performance does not guarantee future results. Composite results reflect the reinvestment of dividends, capital gains and other earnings when appropriate. 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. 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. The US Dollar is the currency used to express performance.