

Short Duration Investment Grade Composite

DIAMOND HILL

INVESTED IN THE LONG RUN

As of 30 Jun 2022

Team

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Philosophy and Process Highlights

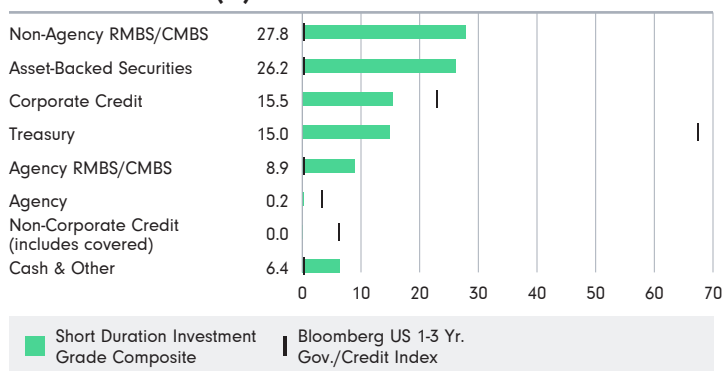
We believe successful, long-term fixed income investing starts with small, individual security decisions.

- 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 (%)¹



Credit Quality Rating²

Credit Quality Rating	% of Portfolio
AAA	37.4
AA	7.9
A	19.7
BBB	25.8
BB	0.0
B	0.0
CCC & Below	0.0
Not Rated	9.2

Duration Breakdown (%)

Duration Breakdown (%)	Short Duration Investment Grade Composite (%)	Bloomberg US 1-3 Yr. Gov./Credit Index (%)
Less than one	34.8	4.4
1-3	45.0	95.6
3-5	17.2	0.0
5-7	1.8	0.0
7-10	0.9	0.0
10-20	0.1	0.0
20+	0.2	0.0

Key Rate Duration (%)

Key Rate Duration (%)	Short Duration Investment Grade Composite (%)	Bloomberg US 1-3 Yr. Gov./Credit Index (%)
1Y	0.15	0.36
2Y	0.51	0.91
3Y	0.47	0.59
5Y	0.37	0.00
10Y	0.19	0.00
20Y	0.05	0.00
30Y	0.00	0.00

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

² 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	493	1,744
Yield to Maturity (%)	4.73	3.24
Yield to Worst (%)	4.58	3.24
Effective Duration	1.77	1.91
Weighted Average Life (years)	2.74	1.99
Convexity	0.01	0.04
Option-Adjusted Spread	190	22

Period and Annualized Total Returns (%)

	Since Inception (30 Nov 2021)	YTD	2Q22
Gross of Fees	-3.61	-3.52	-1.10
Net of Fees	-3.70	-3.62	-1.18
Bloomberg US 1-3 Yr. Gov./Credit Index	-3.25	-3.11	-0.63

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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