

Team

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Portfolio Manager

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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 50-70 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%

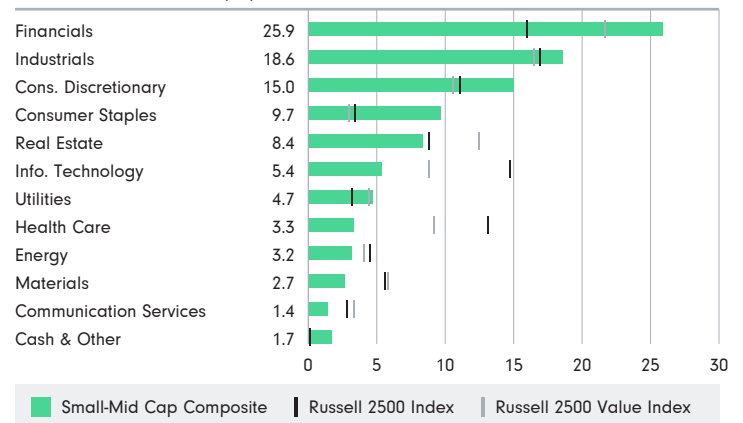
Market Capitalization

The portfolio typically invests in companies with a market capitalization between \$500 million and \$10 billion (or, if greater, the maximum market capitalization of companies generally within the capitalization range of the Russell 2500 Index) at the time of purchase.

Top Ten Equity Holdings¹

	Sector	% of Net Assets
WESCO International, Inc.	Industrials	4.9
Red Rock Resorts, Inc. (CI A)	Cons. Discretionary	3.8
Post Holdings, Inc.	Consumer Staples	3.5
Webster Financial Corp.	Financials	3.3
Cal-Maine Foods, Inc.	Consumer Staples	3.3
CubeSmart	Real Estate	3.2
Ashland Global Holdings, Inc.	Materials	2.7
NVR, Inc.	Cons. Discretionary	2.6
Coterra Energy, Inc.	Energy	2.6
UGI Corp.	Utilities	2.5
Total as % of Net Assets		32.4
Total Holdings		58

Sector Allocation (%)²



Peer Group Quartile Rankings (%)³



Best and Worst Performers (%)^{1,4}

	2Q22 Contribution	Ending Weight
Best		
Post Holdings, Inc.	0.5	3.5
UGI Corp.	0.1	2.5
Ashland Global Holdings, Inc.	0.1	2.7
First Interstate BancSystem, Inc. (CI A)	0.1	1.7
BellRing Brands, Inc.	0.1	1.3
Worst		
Red Rock Resorts, Inc. (CI A)	-1.3	3.8
WESCO International, Inc.	-1.1	4.9
Webster Financial Corp.	-0.9	3.3
Live Oak Bancshares, Inc.	-0.6	2.0
Allegiant Travel Co.	-0.6	1.6

¹ 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.

² Cash & Other may include cash, treasuries, money market funds and short duration fixed income funds. Includes a 0.4% investment in the Diamond Hill Short Duration Securitized Bond Strategy.

³ Source: eVestment. Ranking within eVestment US Small-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.

⁴ 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.

Small-Mid Cap Composite

As of 30 Jun 2022

Portfolio Characteristics vs Benchmark⁵

	Small-Mid Cap Composite	Russell 2500 Index	Russell 2500 Value Index
Median Forward P/E	13.4x	13.4x	11.9x
Median Trailing P/E	13.8x	14.2x	12.1x
Weighted Average Dividend Yield	1.3%	1.4%	1.9%
Median Price/Book	1.7x	1.9x	1.5x
Median Price/Sales	1.9x	2.1x	1.9x
Median Market Capitalization	\$4.3B	\$1.4B	\$1.3B
Weighted Average Market Cap.	\$6.6B	\$5.5B	\$5.7B
Portfolio Turnover (5-Year)	23%	—	—
Active Share ⁶ vs Core ⁷ /Value ⁸ Benchmark	96%/95%	—	—
Upside/Downside Capture Ratio ⁹ vs Core Benchmark ⁷	93%/91%	—	—
Upside/Downside Capture Ratio ⁹ vs Value Benchmark ⁸	96%/90%	—	—

⁵Source: FactSet.

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

⁷The Russell 2500 Index is the core benchmark.

⁸The Russell 2500 Value Index is the value benchmark.

⁹Source: eVestment based on monthly returns (gross of fees) from 1 Jan 2006 – 30 Jun 2022.

Period and Annualized Total Returns (%)	Since Inception (31 Dec 2005)	15Y	10Y	5Y	3Y	1Y	YTD	2Q22
Gross of Fees	9.15	8.82	11.51	6.27	7.18	-9.09	-16.47	-14.01
Net of Fees	8.36	8.03	10.74	5.51	6.41	-9.75	-16.77	-14.16
Russell 2500 Index	8.12	7.29	10.49	7.04	5.91	-21.00	-21.81	-16.98
Russell 2500 Value Index	7.18	6.19	9.54	5.54	6.19	-13.19	-16.66	-15.39

Calendar Year Returns (%)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Gross of Fees	0.52	-29.38	41.71	24.74	-2.96	16.93	43.32	8.42	2.44	19.30	9.64	-11.71	28.84	2.29	32.34
Net of Fees	-0.22	-29.99	40.52	23.72	-3.62	16.19	42.39	7.69	1.76	18.47	8.86	-12.35	27.94	1.55	31.40
Russell 2500 Index	1.38	-36.79	34.39	26.71	-2.51	17.88	36.80	7.07	-2.90	17.59	16.81	-10.00	27.77	19.99	18.18
Russell 2500 Value Index	-7.27	-31.99	27.68	24.82	-3.36	19.21	33.32	7.11	-5.49	25.20	10.36	-12.36	23.56	4.88	27.78

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