

Core Bond Composite

As of 30 Sep 2022

DIAMOND HILL

INVESTED IN THE LONG RUN

Team

Henry Song, CFA
Portfolio Manager

Mark Jackson, CFA
Portfolio Manager

Douglas Gimple
Senior Portfolio Specialist

Philosophy and Process Highlights

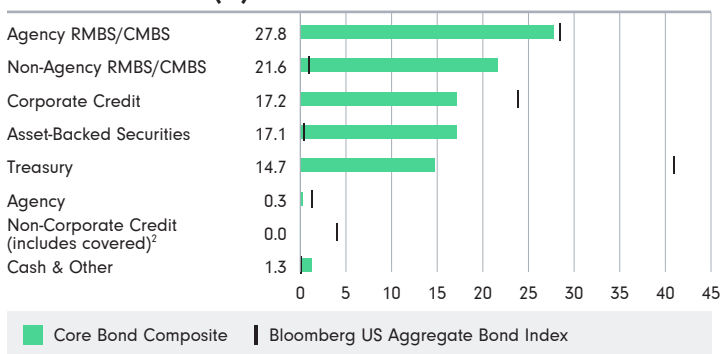
We believe successful, long-term fixed income investing starts with small, individual security decisions.

- 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 at least 80% of its assets in a diversified portfolio of investment grade, fixed income securities and may invest a significant portion or all of its assets in mortgage-related and mortgage-backed securities. The portfolio will typically maintain an average portfolio duration within 20% of the duration of the Bloomberg US Aggregate Bond Index.

Sector Allocation (%)¹



Credit Quality Rating³

Credit Quality Rating	% of Portfolio
AAA	51.5
AA	6.9
A	15.1
BBB	22.3
BB	0.0
B	0.0
CCC & Below	0.0
Not Rated	4.2

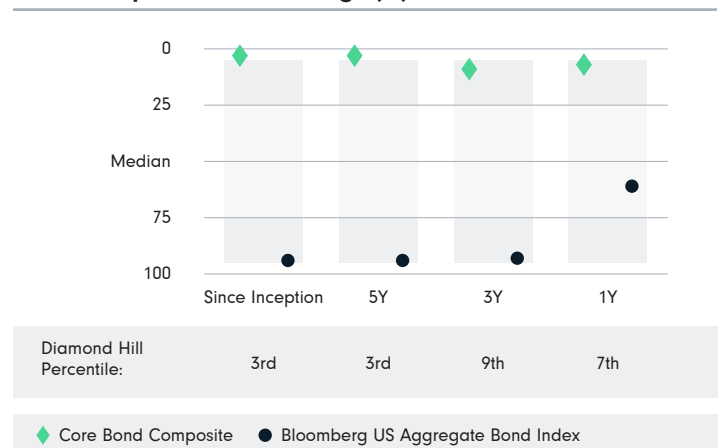
Duration Breakdown (%)

Duration	Core Bond Composite (%)	Bloomberg US Aggregate Bond Index (%)
Less than one	18.0	1.1
1-3	17.6	22.9
3-5	20.9	23.5
5-7	14.0	25.9
7-10	11.7	11.6
10-20	15.6	14.7
20+	2.2	0.3

Key Rate Duration (%)

Key Rate	Core Bond Composite (%)	Bloomberg US Aggregate Bond Index (%)
1Y	0.08	0.09
2Y	0.15	0.24
3Y	0.37	0.50
5Y	1.01	1.35
10Y	1.70	1.38
20Y	1.70	1.45
30Y	0.62	1.10

Peer Group Quartile Rankings (%)⁴



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

² Portfolio weight is 0.02%.

³ 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."

⁴ Source: eVestment. Ranking within eVestment US Core Fixed Income universe based on monthly returns gross of fees. Ranking data calculated on 18 October 2022 (as of 30 September 2022) and is subject to change as additional firms within the category submit data. Diamond Hill pays an annual fee to eVestment to access their platform and to use their data, including peer group rankings, in marketing materials. Diamond Hill does not pay for the ranking.

Core Bond Composite

As of 30 Sep 2022

Portfolio Characteristics	Core Bond Composite	Bloomberg US Aggregate Bond Index	Five-Year Risk Statistics ⁵	Core Bond Composite	Bloomberg US Aggregate Bond Index
Number of holdings	1,167	12,641	Standard Deviation (%)	4.50	4.77
Yield to Maturity (%)	6.05	4.75	Sharpe Ratio	-0.01	-0.29
Yield to Worst (%)	5.96	4.75	Beta (%)	0.91	N/A
Effective Duration	5.64	6.20	R-squared (%)	92.67	N/A
Weighted Average Life (years)	7.54	8.52	Information Ratio	1.04	N/A
Convexity	0.45	0.64			
Option-Adjusted Spread	192	62			

⁵Relative to the Bloomberg US Aggregate Bond Index.

Period and Annualized Total Returns (%)	Since Inception (31 Jul 2016)	5Y	3Y	1Y	YTD	3Q22
Gross of Fees	1.12	1.08	-1.87	-12.06	-12.13	-3.86
Net of Fees	0.82	0.78	-2.15	-12.31	-12.33	-3.93
Bloomberg US Aggregate Bond Index	-0.24	-0.27	-3.26	-14.60	-14.61	-4.75

Calendar Year Returns (%)	31 Jul 2016 - 31 Dec 2016	2017	2018	2019	2020	2021
Gross of Fees	-2.44	4.64	2.06	8.56	8.34	-0.55
Net of Fees	-2.56	4.33	1.77	8.24	8.03	-0.84
Bloomberg US Aggregate Bond Index	-3.14	3.54	0.01	8.72	7.51	-1.54

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