

# Large Cap Concentrated Composite

As of 30 Sep 2022

# DIAMOND HILL

INVESTED IN THE LONG RUN

## Team

**Chuck Bath, CFA**  
Portfolio Manager

**Austin Hawley, CFA**  
Portfolio Manager

**Brian Fontanella, CFA**  
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 20 positions
- Maximum position size is 10%
- Top 10 holdings are typically greater than 50% of net assets
- Maximum industry exposure is 25%
- Maximum sector exposure is 35%

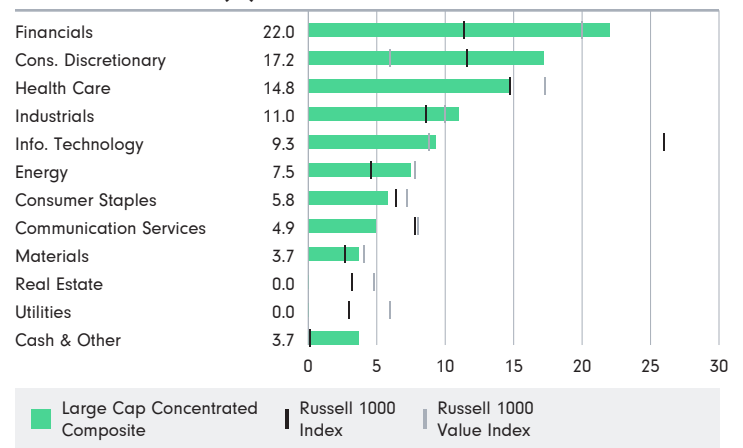
## Market Capitalization

Holdings are derived from holdings in the Diamond Hill Large Cap portfolio. The Large Cap Concentrated portfolio typically invests in companies with a market capitalization of \$15 billion or greater.

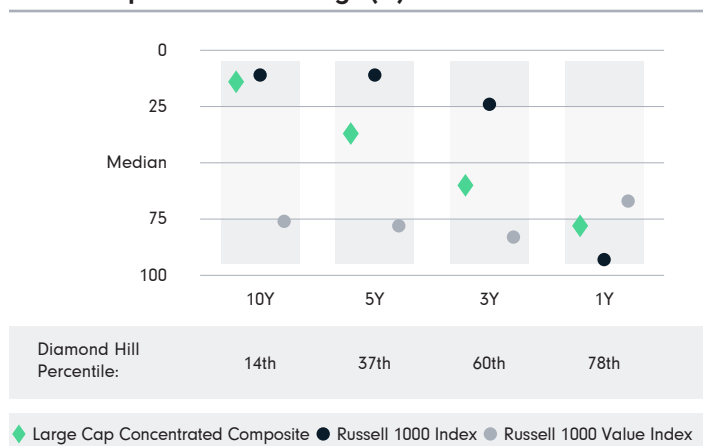
## Top Ten Equity Holdings<sup>1</sup>

	Sector	% of Net Assets
American International Group, Inc.	Financials	8.3
ConocoPhillips	Energy	7.5
Abbott Laboratories	Health Care	6.3
PepsiCo, Inc.	Consumer Staples	5.8
Texas Instruments, Inc.	Info. Technology	5.2
Truist Financial Corp.	Financials	5.1
Alphabet, Inc. (CI A)	Communication Services	4.9
NVR, Inc.	Cons. Discretionary	4.8
Bank of America Corp.	Financials	4.6
Amazon.com, Inc.	Cons. Discretionary	4.3
Total as % of Net Assets		56.7
Total Holdings		20

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



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



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

	3Q22 Contribution	Ending Weight
<b>Best</b>		
ConocoPhillips	0.8	7.5
Amazon.com, Inc.	0.2	4.3
Humana, Inc.	0.1	4.2
Texas Instruments, Inc.	0.1	5.2
Home Depot, Inc.	0.1	4.1
<b>Worst</b>		
Pfizer, Inc.	-0.7	4.2
Abbott Laboratories	-0.6	6.3
American International Group, Inc.	-0.6	8.3
Alphabet, Inc. (CI A)	-0.6	4.9
Microsoft Corp.	-0.4	4.2

<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 Large Cap Value equity 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.

<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. Contribution should be viewed in conjunction with the net of fee returns included in this document.

# Large Cap Concentrated Composite

As of 30 Sep 2022

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

	Large Cap Concentrated Composite	Russell 1000 Index	Russell 1000 Value Index
Median Forward P/E	13.0x	16.2x	14.6x
Median Trailing P/E	16.8x	18.5x	16.7x
Median Price/Book	4.2x	2.8x	2.4x
Median Price/Sales	2.2x	2.3x	2.0x
Median Market Capitalization	\$128.9B	\$11.4B	\$10.4B
Weighted Average Market Cap.	\$292.2B	\$415.1B	\$125.5B
Portfolio Turnover (5Y)	43%	—	—
Active Share <sup>6</sup> vs Core <sup>7</sup> /Value <sup>8</sup> Benchmark	85%/92%	—	—
Upside/Downside Capture Ratio <sup>9</sup> vs Core Benchmark <sup>7</sup>	96%/100%	—	—
Upside/Downside Capture Ratio <sup>9</sup> vs Value Benchmark <sup>8</sup>	108%/102%	—	—

<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 1000 Index is the core benchmark.

<sup>8</sup> The Russell 1000 Value Index is the value benchmark.

<sup>9</sup> Source: eVestment based on monthly returns (gross of fees) from 1 January 2012 – 30 September 2022.

Period and Annualized Total Returns (%)	Since Inception (31 Dec 2011)	10Y	5Y	3Y	1Y	YTD	3Q22
Gross of Fees	11.43	11.36	7.30	5.85	-12.86	-22.16	-2.93
Net of Fees	10.68	10.62	6.62	5.19	-13.38	-22.51	-3.08
Russell 1000 Index	12.32	11.60	9.00	7.95	-17.22	-24.59	-4.61
Russell 1000 Value Index	9.99	9.17	5.29	4.36	-11.36	-17.75	-5.62

Calendar Year Returns (%)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Gross of Fees	10.00	38.75	10.70	-0.58	19.17	19.26	-7.17	31.76	10.51	27.43
Net of Fees	9.23	37.78	9.92	-1.28	18.33	18.48	-7.77	30.90	9.79	26.65
Russell 1000 Index	16.42	33.11	13.24	0.92	12.05	21.69	-4.78	31.43	20.96	26.45
Russell 1000 Value Index	17.51	32.53	13.45	-3.83	17.34	13.66	-8.27	26.54	2.80	25.16

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 Large Cap Concentrated Composite is comprised of all discretionary, non-fee and fee-paying, non-wrap accounts managed according to the firm's Large Cap Concentrated 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 Large Cap Concentrated portfolio typically invests in companies with a market capitalization of \$15 billion or greater. Holdings are derived from holdings in the Diamond Hill Large Cap portfolio. The Russell 1000 Index measures the performance of roughly 1,000 US large-cap companies. The Russell 1000 Value Index measures the performance of US large-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, [ss Stapleton@diamond-hill.com](mailto:ss Stapleton@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 the highest stated fee in the composite fee schedule. Only transaction costs are deducted from gross of fees returns. Prior to 30 September 2022, actual fees were used in calculating net returns. All net returns were changed retroactively to reflect the highest fee in the composite fee schedule. 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.