

Short Duration Investment Grade Composite

DIAMOND HILL

INVESTED IN THE LONG RUN

As of 30 Sep 2022

Team

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Philosophy and Process Highlights

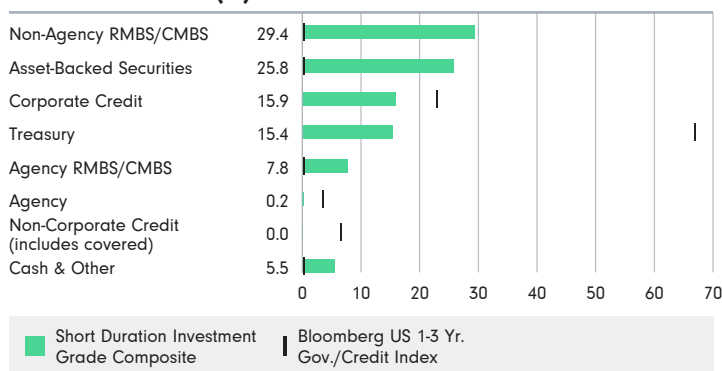
We believe successful, long-term fixed income investing starts with small, individual security decisions.

- 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	37.3
AA	7.3
A	19.8
BBB	26.2
BB	0.0
B	0.0
CCC & Below	0.0
Not Rated	9.3

Duration Breakdown (%)

Duration Breakdown (%)	Short Duration Investment Grade Composite (%)	Bloomberg US 1-3 Yr. Gov./Credit Index (%)
Less than one	35.5	4.9
1-3	47.6	95.1
3-5	14.9	0.0
5-7	1.3	0.0
7-10	0.6	0.0
10-20	0.1	0.0
20+	0.1	0.0

Key Rate Duration (%)

Key Rate Duration (%)	Short Duration Investment Grade Composite (%)	Bloomberg US 1-3 Yr. Gov./Credit Index (%)
1Y	0.20	0.35
2Y	0.46	0.91
3Y	0.44	0.58
5Y	0.36	0.00
10Y	0.16	0.00
20Y	0.04	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	476	1,806
Yield to Maturity (%)	6.30	4.75
Yield to Worst (%)	6.16	4.75
Effective Duration	1.68	1.89
Weighted Average Life (years)	2.64	1.98
Convexity	0.03	0.04
Option-Adjusted Spread	226	20

Period and Annualized Total Returns (%)

	Since Inception (30 Nov 2021)	YTD	3Q22
Gross of Fees	-4.55	-4.47	-0.98
Net of Fees	-4.83	-4.72	-1.07
Bloomberg US 1-3 Yr. Gov./Credit Index	-4.68	-4.54	-1.48

Calendar Year Returns (%)

	30 Nov 2021 - 31 Dec 2021
Gross of Fees	-0.09
Net of Fees	-0.12
Bloomberg US 1-3 Yr. Gov./Credit Index	-0.15

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